

COLLEGE OF SCIENCE, TECHNOLOGY AND APPLIED ARTS OF TRINIDAD AND TOBAGO

Transforming Lives, Transforming Communities, Transforming the Nation....One Student at a Time.

SCHOOL OF BUSINESS AND INFORMATION TECHNOLOGIES

COURSE OUTLINE

Academic Year 20010/2011

VISION	:	To be a student-centered, dynamic and innovative, world-class and multi-campus college, promoting excellence in teaching and learning, serving diverse communities, and producing lifelong learners who can compete globally.
MISSION	:	To be the premier educational institution in: providing high quality, affordable and accessible education programmes serving the needs of business, industry and the diverse campus communities and facilitating the personal and professional development of its students, faculty and staff.
DEPARTMENT	:	Management and Entrepreneurship
COURSE TITLE	:	Managing Family Enterprise
COURSE CODE	:	ENTP 310
CREDITS	:	Three (3)
CONTACT HOURS	:	45
PREREQUISITE	:	ENTP 210: Fundamentals of Entrepreneurship
REQUIRED TEXT	:	Family Business by Ernesto J. Poza
REFERENCE TEXTS	:	

APPROVED BY	:	_____	_____
		CHAIR	DATE

COURSE DESCRIPTION:

The family business dominates every local economy. It is a unique business with unique challenges and as such management of this type of operation requires an understanding of the special problems and issues that confront family businesses. This course therefore explores the business, personal, and interpersonal issues associated with a family-owned and managed company. It focuses on the family enterprise and the dynamism and uniqueness it brings to contemporary business and entrepreneurship. It will explore the family system, the business system, the ownership system and their interactions - functional and dysfunctional. Having a family derivative, it provides students with an in-depth knowledge of how a family business operates and specifically address challenges to family businesses such as strategic family and business planning; succession planning (training and letting go); family business communications and conflict resolution; ownership and estate planning.

The class lectures focus on the theories, models and cases in a family enterprise and outlines various strategies adopted by a family enterprise that brings about success. Students supplement these theories with analysis of cases from the local, regional and International environ. Guest resources/speakers who are experts in their particular field and having the most current information in their area of expertise would also contribute to their understanding.

COURSE OBJECTIVES:

The objective of this course is to facilitate understanding of the relevant issues for family businesses as they develop from an entrepreneurial venture to a cross-generational family firm and to identify strategies for growth and development. Upon completion of this course, participants will have an understanding of the arguments from different sides, deepening their understanding of the issues, and expanding their thinking with regard to possible strategies for family firms in the long term. They should be able to demonstrate the traits and behaviours associated with entrepreneurial success and view entrepreneurship from a strategic family perspective, operating in the local, regional and international environment. They would also have gained the basic business knowledge and skills that are required to operate within a family enterprise.

A) Technical Objectives

Knowledge

- Understand and explain the dynamics of a Family Enterprise
- Explore the unique challenges facing family business and how they differ from non family businesses
- Understand the role requirements of family business members
- Understand the next generation entrepreneur, their characteristics, their management training and style, their views on entering the company, and their interests as successor generation leaders
- Understand the various governance structures and its application within the family enterprise.

- Explore the qualities of healthy families and firms and gain appreciation of the reasons for the success/failure of the family business
- Understand the major issues and problems facing family businesses as well as how these issues and problems can be dealt with strategically to improve family business performance
- Identify and apply appropriate systems theories to family operations
- Learn methods to enhance communication and conflict resolution
- Grasp the business fundamentals required to enter a family firm
- Gain knowledge about succession planning and how to prepare successors for leadership.
- Understand potential contributions of legal, insurance, accounting and banking industries to family business continuity
- Understand the importance of family business as a social and economic contributor

Analytical

Students should be able to critically reflect on existing theories so as to creatively combine or develop new models where necessary, and to apply these theories to real-life cases where useful. They should therefore be able to:

- Assess and analyse business history through the use of a GENOGRAMS
- Assess and analyse business risks or opportunities based on existing theories and new knowledge gained from case studies and practical activities
- Assess the organization's capabilities through people, skills and systems
- Assess all aspects of financial statements relative to a Family Enterprise
- Assess the viability/continuity of a Family Business

B) Critical Entrepreneurial Skills

Successful completion of this course will assist the student in further developing entrepreneurial and workplace skills associated with:

1. Teamwork

Students will learn how to work with and learn from diverse groups, be flexible in a variety of settings, and be adaptable to the changing times. They would learn to demonstrate leadership and take responsibility for their action. They should demonstrate personal qualities such as responsibility and self management; show initiative and resourcefulness, and be productive and accountable for their actions.

While working successfully to complete specific activities in a group, students would be expected carry out responsibilities of facilitator, scribe and timekeeper. Follow a process of leading or participating in both "brainstorming" and "decision making" sessions including:

- Knowing how to lead
- Being prepared, offering information and opinions.

- Listening actively.
- Expressing thoughts clearly and crisply articulating opinions.
- Communicating coherent instructions and motivating others through powerful speech and actions
- Soliciting information, opinions and feedback from other members.
- Observing and commenting on group dynamics.
- Summarizing ideas and testing for consensus.
- Being committed to achieving team deliverables

2. Time Management

Unlike high school, students will have less in-class time, more outside of class work, and a great deal of freedom and flexibility. Students will learn how to develop and hone their time management skills, reducing anxiety and concentrating their activities and efforts in areas that provide long term benefits: Techniques include:

- Setting priorities and the get the most important ones done as soon as possible
- Planning for blocks of study time and class assignments
- Scheduling regular/ weekly reviews and updates
- Effectively use time allocated to complete tasks.
- Completing and submitting assignments on time.
- Being punctual at class sessions and group activities
- Review notes and readings just before and after class

3. Learning to Learn

Principles, knowledge, skills and attitudes that allow students to achieve their core purpose and continue learning effectively throughout their lives. Ongoing process of acquiring the skill set of absorbing knowledge and applying it to life:

- Adapting/managing change; through measurement and feedback, identify the need, nature, barriers and impact of change and utilize this knowledge to carry out its positive implementation.
- Managing your own learning: self directed process of identifying opportunities to continuously acquire skills and knowledge, conducted through a process of self analysis and feedback.
- Lifelong learning/career development: a continuous process of learning, building on cumulative knowledge and skills, and adapting to experience and content. Goal directed to the development and advancement of a specific career(s).
- Developing habits such as critically reflecting on the learning experiences so as to improve next time

4. Creative Thinking & Innovation Skills

Creative and innovation skills increasingly are being recognized as the skills that separate students who are prepared for today's complex life and work environments, and those who are not. A focus on creativity, critical thinking, problem solving and decision making is essential to prepare students for the future. Student should attain the ability to produce and assess, generate and judge the products of their thoughts; think critically and

logically to evaluate situations, solve problems and make decisions through:

- Creativity: Learning to think creatively. Use a wide range of idea creation techniques to create new and innovative ideas. Ability to use lateral thinking to examine situations, and devise alternate decisions
- Critical Thinking & Problem Solving skills: Learning to reason effectively, make judgments and decisions by applying system thinking and the use of various tools and techniques such as brainstorming, affinity, multi-voting, root cause analysis and flow charts
- Investigative thinking: thinking that is purposeful, reasoned and goal directed.
- Problem solving techniques: identification, analysis and improvement of a situation or problem using a process which includes: assessment of current situation, creative thinking to develop options, identifying root cause, and ultimately selecting a solution which best meets business criteria.
- Decision making techniques: develop a range of alternatives, selecting the most appropriate by comparison against decision criteria, and taking appropriate action to implement

5. Communication & Information Literacy

Students are expected to attend all classes and to have read all of the course material so as to be prepared, and contribute positively to all discussions. This course would allow them to gain a better understanding of how to communicate effectively - to individuals and groups, via spoken communications, written communications, and electronic communications. Students would be able to communicate clearly, collaborate with others, access, evaluate, use and manage information:

- Articulate thoughts and ideas effectively using oral, written and nonverbal communication skills in a variety of forms and contexts
- Utilize multiple media and technologies, and know how to judge their effectiveness
- Use information accurately and creatively for the issue or problem at hand
- Manage the flow of information from a wide variety of sources
- Apply a fundamental understanding of the ethical/legal issues surrounding the access and use of information

6. Ethics & Responsibility

Students are expected to and are required to arrange meetings with clients/family businesses as necessary to accomplish their assignments. All information provided by clients should be treated as **proprietary and confidential**. All dealings with clients must be conducted in a professional manner. The College reserve the right to take the appropriate steps to ensure students efforts meet acceptable standards and uphold the client's right to confidentiality.

CANDIDATE DISPOSITIONS

The Department assesses dispositions as a means of supporting candidates to develop and maintain the values, commitments and ethics that they should have as entrepreneurs. Candidate's dispositions are assessed at multiple points in their program of study using a variety of methods (self-assessment, review of

evidence, faculty assessment). It is the Department's intention to support candidates' development of the requisite dispositions. As such, candidates who perform at the unsatisfactory and/or emerging levels in any area of dispositions assessment are required to meet with their course instructor or mentor to discuss the assessment and develop a plan for improvement. The plan will be monitored by the course instructor/mentor and discussed with the candidate during meetings with his/her mentor. If a candidate does not demonstrate improvement, a letter of concern will be sent to the candidate and a meeting will be held with the Department Chairperson. Significant issues regarding candidates' dispositions or behaviours will be resolved in accordance with the College policies and procedures for student misconduct.

Expected disposition include:

1. Enthusiasm about learning and sharing
2. Respect for diversity
3. Reflective practice
4. Belief in social justice, ethical behaviour, and honesty
5. Resourcefulness and responsibility
6. Openness to constructive critique
7. Rapport with the learning community
8. Caring and commitment

STATEMENT ON ACADEMIC DISHONESTY

Academic dishonesty is unacceptable and will not be tolerated. Cheating, forgery, plagiarism and collusion in dishonest acts undermine the College's educational mission and the student's personal and intellectual growth. COSTAATT students are expected to bear individual responsibility for their work and to uphold the ideal of academic integrity. Any student who attempts to compromise or devalue the academic process will be sanctioned – COSTAATT Academic, Integrity and Honesty Policies and Procedures Handbook.

COURSE CONTENT

Session 1: Introduction

1. Establish the framework for the semester of work. Definitions of expectations from a college and students perspectives. Introduction to objectives and experiences of class members and faculty. Discussions on the organization and conduct of class.
 - a. Overview of course outline
 - b. Formation of groups
 - c. Assignments of team projects

Students are placed in groups and assigned term projects. They are also assigned a Family Business (the priority is to utilize local Family Enterprises first) and provided with the model to be used in journalizing the business.

Session 2: The Nature, Importance and Uniqueness of Family Business:

1. Provide an understanding of what is meant by a family enterprise and discuss the various characteristics of the family business and the various theory models of the family business.
 - a. Definition of Family Enterprise: what it is, its assets, and vulnerabilities
 - b. The impact of family business on economic activity worldwide.
 - c. The unique assets and vulnerabilities of family enterprises based on their unique attributes
 - d. Family Business Theories: The Systems, Agency, Resource-Based and Stewardship theory perspectives
2. Case Study Analysis

Session 3: Family Systems and Family Business Governance

1. Discuss and analyse the operations of some of the great families in business so as to understand what ails or distresses family enterprises today.
 - a. Gain an understanding of the absolute need for trust among family members in the pursuit of win-win approaches to succession and continuity.
 - b. Provide an understanding of the complex family dynamics that influence families in business.
 - c. Discuss some of the tools that can be used to analyze and improve family functioning and enhance the family-business interactions: **Family Genograms, Family Emotional Intelligence, Family Meetings & Councils, Policy making**
2. Discuss and analyse the various forms of family ownership of a business and provide an understanding of the roles and responsibilities of the owners and other shareholders in successfully leading the family firm.
 - a. Explain the importance of ownership and the leadership of shareholders in a family-owned or family-controlled company.
 - b. Provide an understanding of how the design of the ownership structure contributes towards corporate control and agility and caters for the next generations of owners.
 - c. Discuss and provide an understanding of the responsibilities of owners in relation to a family-owned or family-controlled corporation.
 - d. Discuss and provide an understanding of the absolute need to govern the relationship between family owners and the firm that is at the heart of corporate governance in the family firm.
3. Case study analysis
4. **Assignment 1:** Students are required to prepare a Genogram for the Family Business assigned to them.

Session 4: Succession Process and Succession Planning

1. Provide an understanding of the key role next-generation members play in endowing the family business with a new vision for the company in their generation.
 - a. Discuss the rewards, challenges and developmental needs of next-generation leaders.
 - b. Discuss the responsibilities involved in leading not just the business but also shareholders and the extended family.

- c. Review the characteristics of successors who become successful CEOs, successful sibling team members, and/or successful leaders of family businesses in the cousin consortium stage.
2. Discuss the role of CEOs of family enterprises and the implications for the management of the firm and its succession and continuity planning efforts. Identify some of the best practices used by successful CEOs.
 - a. Explain the CEO's key role as an architect of the company's continued success and its succession and continuity plans.
 - b. Discuss the need for the orderly transfer of power.
 - c. Review several CEO exit styles and their impact on succession and continuity.
 - d. Discuss the key but often invisible role that many CEO spouses play as co-architects of the company's succession and continuity process and as chief trust officers of the family.
3. Case study analysis

Session 5: Strategic Management of Family And Business

1. Discuss methods of crafting strategies to be competitive bearing in mind the needs of the next generation of family members.
 - a. Explain the importance of strategic planning to family-business continuity.
 - b. Discuss several sources of value creation and their unique relevance to family companies.
 - c. Examine the reluctance to plan strategically that result from the desire to avoid conflict in the family.
 - d. Discuss some of the models used to create a strategic plan and explain some of the approaches to building a unique business model or strategic profile for each family business.
2. Case study analysis
3. **Assignment 2:** Students are required to prepare a Strategic Plan with a Business Model for the business assigned

Session 6: Nonfamily Managers And The Family-Owned Business

1. Explore the unique set of challenges faced by nonfamily managers in getting their jobs done and their role in the development of the next generation of owner-managers.
 - a. Explore the critical role that nonfamily managers play in family-owned and family-controlled corporations and discuss the differences in perceptions
 - b. Highlight the challenges posed by nonfamily management relative to retention and motivation
 - c. Explore the role of family business consultants
2. Case study analysis

Session 7: Guest Speakers on Managing Family Enterprise

Presentation from

- Key family executive in a family business
- Key nonfamily executive in a family business

Session 8: Financial Matters And Estate Planning—Tax, Valuation And Continuity Considerations

1. Discuss the importance of estate planning to family-business continuity
 - a. Provide an understanding of the importance of estate planning
 - b. Explain the components off and learn how to prepare an estate plan
 - c. Discuss the effect of estate taxes on ownership transfer across generations of family-business owners.
 - d. Identify and discuss some pitfalls to avoid in estate and ownership transfer planning.
2. Provide an understanding of why financial literacy is so important to family business owners. Explain the importance of some basic financial measures and discuss how they play a role in measuring the success of the family business
 - a. Provide an understanding of the purpose of the various financial statements of the company; the balance sheet, the income statements, the cash-flow
 - b. Demonstrate how analyzing the financial statements of the company will help the owner(s) assess the financial strengths and weaknesses of the business.
3. Discuss the benefits of business valuation when it comes to promoting loyal shareholders and an orderly transfer of ownership.
 - a. Provide and understanding and discuss the various valuation approaches
 - b. Identify and understand some of the factors which affect valuation
 - c. Explain the components off and learn how to prepare a valuation report
4. Case study analysis

Session 9: Guest Speakers on Financial Matters and Estate Planning

Presentations from

- Estate Planning Attorney
- Tax/Financial consultant

Session 10: Family Business Governance: Advisory Boards and Boards of Directors

1. Discuss why boards with independent outsiders are important to family-business competitiveness and continuity
 - a. Provide an understanding of the governance Structure of Family-Owned, Family-Controlled Business.
 - b. Discuss the responsibility of a Board and review the requirements and practices of effective Boards.

- c. Provide an understanding and discuss the differences between the Boards of Directors versus Advisory Boards
 - d. Discuss the criteria for board member selection
 - e. Discuss the relationship between the role of the board, the family council, and top management in providing effective governance for family-business continuity
2. Case study analysis

Session 11: Family Business Governance: Family Meetings, Family Councils, and Family Offices

1. Discuss the impact of family culture, family communication, family conflict, and family unity, and explore their interaction effects on the family business.
 - a. Examine family culture and communications
 - b. Highlight the unique family governance needs that result from the overlap between management, family, and ownership in a family business.
 - c. Understand the requirements, practices and benefits of effective family meetings, family councils and family offices.
 - d. Understand the importance of creating a Family Constitutions and learn how to prepare.
2. Case study analysis

Session 12 : The Future of Family Businesses

1. Discuss the future prospects of family-owned and family-controlled enterprises. Provide an understanding of the necessity for the continuous alignment of the business internal environment (strategy, management competencies, systems, and organization) to its external environment; if it is to survive and thrive.
 - a. Discuss the different leadership role that next-generation leaders need to perform in order to assist in the adaptation and continued competitive fitness of the family business.
 - b. Review several change concepts, methods, and techniques that could provide next-generation leaders with the tools to be competitive: The Change Formula, The States of Evolution, Interpreneurship, The Business Rejuvenation Matrix
 - c. Understand the importance of Succession and Continuity Planning.
2. Case study analysis

Session 13: Continuing the Spirit of Enterprise

1. Using the lessons from **Centennial Family Companies, demonstrate how these** prominent family enterprises have beaten the odds by surviving and thriving for more than a century.
 - a. Explore cultural change, serial entrepreneurship, and governance of the family-business relationship as enablers of resiliency and continuity.
 - b. Discern from these family enterprise leaders' reflections, what factors were responsible for the sustainability and adaptability enjoyed by these firms across multiple generations.
2. Case study analysis

Session 14: Group Presentation

1. Students present the work they completed on the selected family enterprise

Session	Week	Readings	Assignment
Introduction	Week 1	Course Outline	Team Formations Project assignments
The Nature, Importance and Uniqueness of Family Business	Week 2	Chapter 1, pp. 1-26	Case 1: The Binghams and The Louisville Courier
Family Systems and Family Business Ownership	Week 3	Chapter 2 & 3, pp. 27-61	Assignment 1: Complete a family Genogram Case 2: Power play at the inn Case 3: The Ferre Media Group A
Succession Process and Succession Planning	Week 4	Chapter 4, pp. 85-106, and Chapter 5, pp. 107-126	Case 4: The Vega Food Company Case 5: “ She’ll Always Be My Little Sister”
Strategic Management of Family And Business	Week 5	Chapter 6, pp. 167-186	Case 6: Sigma Motion, Inc Assignment 1 due Assignment 2: Prepare a strategic plan
Nonfamily Managers And The Family-Owned Business	Week 6	Chapter 9, pp. 231-246	Case 7: Adams Funeral Home
Invited Speakers/Lecturers	Week 7	Review chapters 1-6 & 9	
Financial Matters And Estate Planning	Week 8	Chapters 7 & 8, pp. 187-230	Case 8: The Ambivalent CEO of The Construction Company Case 9: Borrowing To Grow at Andrews Company
Invited Speakers/lecturers	Week 9	Review chapters 7 & 8	
Family Business Governance: Advisory Boards and Boards of Directors	Week 10	Chapter 10, pp. 247-270	Case 10: Fasteners For Retail
Family Business Governance: Family Meetings, Family Councils, and Family Office	Week 11	Chapter 11, pp. 271-292	Case 11: Ferre Media Group B
The Future of Family Businesses	Week 12	Chapter 12, pp. 293-324	Case 12: The Cousins Tournament
Continuing the Spirit of Enterprise	Week 13	Chapter 13, pp. 325-344	Revisit Cases: The Ferré Media Group (A and B)
Group Presentations	Week 14		Assignment 2 Due
Review and preparations for finals	Week 15	Review chapters 1-13	Case Studies from Books

TEACHING/LEARNING STRATEGIES

The format of the course is based on a mixture of case study analysis and theory. Classes will not be used simply to review theory, but there will be a strong emphasis on giving clarity to issues discussed in the various case studies and from topics raised and discussed by guest speakers. It will be the student's individual responsibility to thoroughly prepare the cases at home. These will be discussed and analysed in small groups with mini class presentations and class debates. This will allow students to apply analytical skills, demonstrate their understanding of new concepts, compare ideas and learn from each other. Sometimes guest speakers will be invited but in general, classes will be structured in the following way:

Introduction to concepts & overview of readings	1 hour
Small group case discussion & in-class assignments	1 hour
Class wrap up	0.5 hour

In each of the classes students should come prepared by reading the required materials in advance. The students would be required to openly discuss the cases, do short presentation, or answer specific questions regarding the case or other readings. Active participation from the students is a condition for the success of the course. The quality of your preparation and class input will be reflected in your participation grade. Absence from classes or remaining silent will have a negative effect on your participation grade.

GRADING AND ASSIGNMENTS

The final grade for this course will be computed based on the following:

Group Assessment: 70 %

- Class Participation/In-class case analysis	30%
- Final Group Paper & Presentation	40%
Genogram - 10%	
Strategic Plan - 20 %	
Presentation - 10 %	

Individual Assessment: 30 %

- Reflective Journal	10%
- Final Exams	20%

Total	<u>100%</u>
--------------	--------------------

The class participation grade will be based on the quality of the in-class presentation on the given case studies together with the contribution of students towards the end product. Absence from class sessions will result in a lower participation score.

Students will be required to analyze a family firm's strategy of their choice in small teams. Details on the group project requirements and presentation will be made available in class.

The final exam will consist of a case with a small number of questions. The questions will require students to be able to apply their knowledge of theoretical concepts to the practical case situation. This exam requires no memorization and is therefore open book. This exam does require deep understanding of the strategy concepts discussed and extensive practice in the application of theory to a business situation.

Students would be required to produce a reflective journal outlining their experiences and learning from this 15 weeks of study.

GRADING SYSTEM

Below is the grading system used in the record of performance of students.

% Points	Notation	Grade	Quality Points
90 – 100	Excellent	A	4.0
85- 89	Very Good	B+	3.5
80 – 84	Good	B	3.0
75- 79	Satisfactory	C+	2.5
70 –74	Average	C	2.0
65 – 69	Below Average	D+	1.5
60 – 64	Minimum Passing Grade	D	1.0
0 – 59	Fail	F	0.0

For the following symbols no credit is awarded and no quality point value is assigned.

F	Fail	
I	Incomplete	A grade that is normally assigned if a student has satisfactorily completed most, but not all, course requirements due to extenuating circumstances. Any "Incomplete grade" must be made up prior to the end of the subsequent semester or the "I" grade is changed to "F". It is the responsibility of the student to contact the instructor who, assigned the "I" grade and arrange to complete the work required for a regular grade to be assigned. In the event that the instructor cannot be reached, the student will contact the Director of the programme.
W	Withdrawn	Indicates that the student voluntarily withdrew from the course prior to the twelfth week of classes and submitted a withdrawal form to the head of the college. No notification of withdrawal prior to the twelfth week constitutes an "F" grade.
X	Audit	Signifies that the course has not been taken for credit. The tuition and other fee charges for auditing a course are the same as those for taking the course for credit, but auditing students are not evaluated and do not receive a grade.
NR	Grade Not Reported	
P	Pass/non credit	Signifies a passing grade in a non-graded course.
T	Transfer credit	Signifies the transfer of credits from one institution to another. For transcript purposes, transfer credits will be recorded in the semester in which the course in question is scheduled.

QUALITY POINTS

Quality Points are calculated by multiplying the credits of a given course by the number of points for the grade, which the student obtained in that course.

The Quality Points are significant because they apply weighting to the grade point average according to the number of credits the course is worth and the grade the student made. The higher the grade in a course and the larger the number of credits the higher the Grade Point Average (GPA).

The Grade Point Average (GPA) indicates a student's programme rating and is obtained by dividing the total number of quality points earned by the total number of credits taken, not including credits arising from audit, transfer or pass/fail courses.

Example of Computation of GPA:

Course	Course Name	Credits	Grade	Qual.pts
INT 102	Introduction to Computer Hardware	3	B	9.0
INT 114	Program Design	3	C	6.0
PSY 100	Introduction to Psychology	3	A	12.0
COM 121	Presentation Skills	3	C	6.0
TOTAL		12		33.0

GPA = Total Quality Points/Total credits - $33/12 = 2.75$

A student must obtain a minimum cumulative GPA of 2.0 in order to graduate.

A student who receives an "F" for a credit course will not receive quality points but will have the credits counted in the computation of his/her GPA for that semester until the course is successfully repeated.