MBA 694

Family-Based Business Seminar

Syllabus

Course Overview & Syllabus

Family businesses (FBs) comprise the vast majority (between 80-90%) of commercial ventures in the world. In the U.S. alone, they account for 64% of our economy’s gross domestic product (GDP). Even among publicly traded companies, a full third of Fortune 500 companies are family owned. While FBs possess distinct core competencies that can result in long-term competitive advantages not afforded to their non-family counterparts. Yet, FBs also exhibit characteristics that can put their continuity in serious jeopardy. Indeed, it is common knowledge that leadership and succession crises are the norm in a family business, where 75% do not make it to the second generation; and of those that do, 90% do not make it to a third generation.

What makes FBs different from their non-family counterparts? This question lies at the heart of this course. It is the integration of the business aspect and psychological and sociological aspect of what makes for a family and its related dynamics that we will make a central theme of this course. At a general level, we will spend the next weeks ‘unpacking’ the characteristics and dynamics of FBs for the purpose of understanding effective management techniques the family concerns. Specifically, this course explores and evaluates business practices for family-owned businesses – that is, all functions, issues, operations, and dynamics of family businesses. Topics include - but are not limited to - the strengths and weaknesses of family businesses, corporate governance, transition, succession and continuity, managing family business conflict, and professionalization across the FB lifecycle and successive generations.

Course Objectives

This course is intended for those of you who are members of a family with established business interests, will likely find yourselves working for a family-owned firm, and/or might be associated with such organizations in a professional capacity through such roles as accountant, lawyer, banker, or consultant. As such, our course objectives for this semester is to develop a systematic and comprehensive understanding of the “particularities” that family businesses - and business families - face as they move through their life cycles. By the end of the course, you should have an initial understanding of how focusing on one subsystem of a family business at a time can be very useful for diagnosing the complex issues facing such firms—but how successfully resolving these issues requires attention to the interactions between the ownership, family, and business spheres. My hope is that the course leaves you with a deeper appreciation of the complexities of family enterprises, the fascinating challenges they face, and the need to attend to both the whole and the parts of these organizations if they are to be understood and managed effectively.
• To increase students’ understanding of family businesses and their role in the U.S. and global economies.

• To increase students’ understanding of the dynamic issues and problems facing family businesses as well as how these issues and problems can be dealt with strategically to improve family business performance.

• To provide students with the opportunity to apply your business and skills, focusing on a key issue or problem facing a family business.

• To improve students’ critical thinking, problem solving and decision-making skills.

How the Course will be taught:

ASYNCHRONOUS DELIVERY: This course is a 5-week online course. As such, the majority of the course will be conducted asynchronously – that is, you are not be required you to log in to your virtual classroom at a specified time. Each week you will work on various combinations of pre-recorded lectures, readings, mini-assignments and a final case study analysis, all posted on Moodle. PLEASE READ THROUGH THIS SYLLABUS AND LET ME KNOW IF YOU HAVE ANY QUESTIONS OR CONCERNS.

OPTION LIVE ZOOM SESSION: As an OPTIONAL supplement to the asynchronous component of the class, I will make myself available to students for live Zoom sessions. These live sessions (again, they are OPTIONAL – just reach out to me and schedule time) are meant to provide you a forum to ask questions, get clarifications on topics, frameworks, or assignments, as well as to share any insights you may have about your own family business. I want to make sure I can increase the relevance and “real-world” factor of this class to anyone with relevant experiences and insights of their family business. I understand that TRUST is a critical element for anyone wanting to FB share stories, insights and experiences, so I will maintain confidentiality of the information discussed during a session.

Grading:

Below are the grading components:

1. Weekly Assignments 45%
2. Final Case Study 45%
3. Discussion Board Contributions 10%

Total 100%
1. **Weekly Assignments**

There are four (4) weekly assignments to be completed by you over the course of the class. The weekly assignments are an opportunity to reflect on the course content and/or apply the readings, concepts, frameworks to practical situations (e.g., mini cases) faced by family businesses. Each weekly assignment will consist of a 1-2 page write-up, submitted on Moodle. Please see the Weekly Assignments tab on Moodle and make sure you keep track of due dates for each assignment.

2. **Final Case Analysis**

The final case, assignment in Week 4 of the course, will ask you to conduct a comprehensive analysis of a family business facing challenges and opportunities. The case is intended for you to apply all the concepts, frameworks, etc., to a particular situation in an effort to provide both descriptive insights and prescriptive recommendations.

3. **Discussion Board Contributions**

I will post Discussion Board Threads relevant to the weekly topics/themes. Your contributions to these threads should reflect an understanding of the frameworks and concepts covered in those weekly topics/themes. Remember, your discussion board contributions should be additive, reflecting the course content and building on the dialogue using relevant frameworks, concepts and topics discussed during the course of our classes.

**Required Articles:**

**Slides:** Each week, I will post slides with voice over on the topic covered that week. The slides will provide additional/deeper insights to the topic and related readings.

All required materials, articles, case studies and assignments will be posted on Moodle.

**Session 1: Week 1**

<table>
<thead>
<tr>
<th>Topic: Introduction &amp; Overview of the Course</th>
<th>What is a Family Business?</th>
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<tbody>
<tr>
<td>Slides:</td>
<td>“If it quacks like a duck...”</td>
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<tr>
<td>Readings: Definitions and Typologies of the Family Business</td>
<td>J. Davis</td>
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<tr>
<td>Assignment: Family Business Profiling Write-up (FamCap List)</td>
<td>Due Sunday at 5 PM on Moodle</td>
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Session 2: Week 2

Topic: Family Business = Family + Business  
* A Closer Look at the Component Parts

Online Module: “Family Businesses: a world of spheres”

Readings: How Three Circles Changed the Way We Understand Family Business  
*J. Davis

Assignment: MINI CASE 1: Zoning the Family Business  
*Due Sunday, at 5 PM on Moodle*

Session 3: Week 3

Topic: Corporate Governance  
*Managing Systems for Positive Outcomes*

Online Module: “Separate but whole: Family Business Corporate Governance”

Readings: “Fundamentals of Family Business System Governance”  
*J. Davis*
  
  “The Family Way: How Socioemotional Wealth Drives Decision-making”  
*WP. Carey*

Assignment: MINI CASE 2: Stakeholder Analysis using FB Navigator  
*Due Sunday, at 5 PM on Moodle*

Session 4: Week 4

Topic: Succession & Transition  
*Ensuring Family Business Continuity*

Online Module: “Who will take over my family business?”

Readings: “All together now: Strategy Mapping for Family Businesses”  
*Braun, Latham, Porschitz*
  
  “Ch. 11: Working Outside the Family Firm”  
*D. Bentall*

*Syllabus is Subject to Change*
Assignment: MINI CASE 3: Succession...& Success Planning
Due Sunday, at 5 PM on Moodle

Session 5: Week 5

Topic: The Dark Side of Family Businesses

Online Module: Trapped in the Family Business

Readings: Read Forbes article + watch video: Market Basket Fiasco

Assignment: FINAL CASE STUDY: Family Business Case Study
Due Wednesday, at 5 PM on Moodle

The University of Montana MBA Program

College of Business Administration Mission Statement
The University of Montana’s College of Business Administration is a collegial learning community dedicated to the teaching, exploration, and application of the knowledge and skills necessary to succeed in a competitive marketplace.

Master of Business Administration Mission Statement
Serving our region by educating ethical leaders who are effective in managing organizations in the global environment.

Master of Business Administration Assessment and Assurance of Learning
As part of our assessment process and assurance-of-learning standards, the MBA program has adopted six learning goals for our students. These are as follows:

COB MBA graduates will demonstrate...

- integrated knowledge and understanding of various business functions.
- strong communication skills supportive of their leadership abilities.
- integrity and ethical behavior in individual and collective work.
- analytical and critical thinking in decision making.
- an understanding of emerging trends in information technology and the interplay between information technology and organizational strategy.
- an understanding of the implications of the global business environment.

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GENERAL COURSE POLICY

1. Academic Honesty

Plagiarism, cheating, or any form of dishonesty will at a minimum result in a zero point grade for the assignment. All students must practice academic honesty. Academic misconduct is subject to an academic penalty by the course instructor and/or disciplinary sanction by the University. All students need to be familiar with the Student Conduct Code. The Code is available for review online at http://www.umt.edu/student-affairs/dean-of-students/default.php