

# FAMILY BUSINESS

(Prof. Luca Gnan)

## **TEACHING STAFF RESPONSIBLE FOR THE COURSE:**

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We are committed to making this course a valuable learning experience for you. After the first month, we will spend part of a class session evaluating our progress, and we will make any necessary changes to keep us on track. However, we welcome your feedback at any time in the semester. It is easiest to reach us by email or during office hours, but we are always happy to set up an appointment. Additionally, if you have a disability that requires special accommodation, please let us know ASAP so that we can be helpful to you.

## **Emails, Office Hours & Feedback on Assignments**

We endeavor to answer emails within 1 day. If you have not heard from us within that time, please resend the email. We will post grades & comments online in the materials section of the course website. We will be happy to give feedback and discuss assignments after all grading is complete for a certain assignment. We schedule office hours by email request.

We may answer questions of assignment clarification in class and via emails to benefit the entire class. We may also give extra grades (see below Team Project) during the course that, while generally designed to support learning in the course, will also help your participation grade. These are pass/fail and do not include comments.

## **PRE-REQUISITES FOR THE COURSE:**

None

## **COURSE DESCRIPTION AND LEARNING OBJECTIVES**

Family businesses shows distinct core competencies that can result in unique competitive advantages. They take a long run view of the business—across generations, rather than publicly traded quarterly reports. Their capital can be very patient, owners will sacrifice their salaries in order to make payroll, and they are an integral part of their communities, unlike publicly traded counterparts that might abandon a community at the blink of a budget. They can engender a great deal of loyalty on the part of employees, and the existence of family may reduce agency problems.

Family Businesses also face challenges that threaten their continuity. The challenges are primarily the result of issues presented by the interaction of family, management, and ownership—particularly where the family wishes to perpetuate its influence and/or control from generation to generation. Family firms seem to be as agile in one generation as they are fragile across generations.

Family businesses start with an owner-managed first generation (usually an entrepreneur). The next generation—G2—is the sibling generation, and G3 is the cousin era. The probability of passing the company to the next generation diminishes significantly, with fewer than half making it to G2 and only about less than 15% making it to G3. So, despite the benefits of family, there can be some significant issues.

The course explores and analyzes continuity challenges of family business and their best management practices. The focus of this course is on pragmatic, action-oriented, management, governance, finance, and family/business leadership skills.

Attention is devoted to evaluating family firms and their growth options to provide a roadmap for analyzing how family ownership, control, and management affect performances and how family firms can create and ensure more value through generations.

The course presents seven different sections:

- SECTION 1: Family firms: prevalence and relevance
- SECTION 2: Governance in the family firm
- SECTION 3: Strategic management in the family firm
- SECTION 4: Succession in the family firm
- SECTION 5: Change and transgenerational value creation
- SECTION 6: Interpersonal relationships and conflict in the family firm
- SECTION 7: Financial management in the family firm

The course addresses the governance, the management, and the finance of established family businesses. It examines succession, values, life cycles, business and marketing strategies, conflict

resolution, communications, legal, and financial aspects, estate planning, management, philanthropy and other topics that uniquely touch family business governance, management and finance. It will convey the characteristics that differentiate family businesses from other businesses. One of the features, which make this course unique and particularly modern, is a part of the Section 7: Financial management in the family firm dedicated to the mysterious and fascinating world of the family office. This is the little-known, but key professional practice of advising entire families-in-business, frequently large, diversified and with wide ramifications, about the complete spectrum of activities necessary to ensure that wealth is created, preserved, transmitted and spread across the enlarged family community. These services range from asset allocation to risk management, to education, efficient tax structuring, corporate finance and corporate governance, intra- and inter-generational transmission, philanthropy, etc. Given the enormous amount of wealth and power concerned, this phenomenon shows increasingly importance and starts to attract some focus, particularly by the best graduate students and professional talents.

Upon completion of this course, students should understand:

1. The unique assets and vulnerabilities of family enterprises.
2. The role of the CEO in governance, management, and the transfer of power.
3. The relationship between the role of the board, the family council, and top management in providing effective governance for family business continuity.
4. Key family dynamics.
5. The relevance for families to manage collectively wealth created in professional ways,

and be able to:

1. Identify the various stakeholders and the role of trust among family members and their impact on succession and continuity.
2. Discuss the developmental needs and challenges of next generation leaders.
3. Analyze the effect of estate taxes on ownership transfer across generations of family business owners and the implications of ownership structures on the competitive advantages of family businesses.
4. Explain the importance of strategic planning to family business continuity.
5. Explore the critical role and challenges that non-family managers play in family-owned operations.
6. Analyze the impact of family culture, family communication, family conflict, and family unity and explore their interaction effects on the family business.
7. Assess whether they want to seek employment in family businesses both as key employees/managers or in a professional advisory role.

## **TEACHING METHODS**

Lessons will focus on transferring knowledge and on a strong interaction within the classroom; there are analysis of situations problems and business cases in order to facilitate participants in learning.

**Regular attending students (in order to be a regular attending student, a participant should achieve at least an 85% of presence to lectures and case discussions) are strongly recommended to participate to all the lectures and to all the preparations and presentations of the business cases.**

To meet its goals, this course uses readings, lectures, exercises, cases, individual and team assignments, and class discussion. Case assignments provide an important foundation for class discussion and must be completed prior to each class session. The analytical syllabus (at the end of this document) shows due dates for all cases and other assignments in the class schedule. Lectures will highlight key points from the readings and provide additional information to supplement the readings. Cases will provide you with the opportunity to apply what you have learned to real world issues and scenarios. Because each of you brings unique perspectives and experiences to the class, participation in class discussions and activities is essential to your own learning as well as that of other class members. To enrich further your learning, an MScBA Teaching Assistant will also match you.

## **TEXTBOOK**

Zellweger, T. *Managing the Family Business: Theory and Practice*, Edward Elgar Publishing, 2017: ISBN: 9781783470709

## **CASES**

During the course, we will discuss 10 cases:

1. More than a move to Mexico (Chapter 4: Zellweger, pages: 43-45)
2. Beretti Holdings—More than a retirement decision (Chapter 5: Zellweger, pages: 109-112)
3. Henkel's Genthin plant (Chapter 6: Zellweger, page: 125)
4. Branding and CSR at HiPP (Chapter 6: Zellweger, pages: 165-166)
5. Managing paradoxes (Chapter 6: Zellweger, pages: 193-194)
6. Bernet's choice—Valuation, emotional value, family discount and fair distribution of assets within the family (Chapter 7: Zellweger, pages: 306-307)
7. Transgenerational value creation at Ahlstrom (Finland) (Chapter 8: Zellweger, pages: 361-363)
8. Conflict in the Solomon family (Chapter 10: Zellweger, pages: 488-491)
9. Tom's world (Chapter 9: Zellweger, pages: 422-424)

(the following case from Harvard Business School Publishing. You need to register to download the cases at the following link: <https://hbr.org>, then download the case at the indicated link)

10. Medco Energi Internasional

### **ADDITIONAL REFERENCES**

- Poza, E. J., "Family Business", First Edition. Mason, OH: Thomson South-Western, 2004.
- Gnan, L. and Montemerlo, D., (2006), "Family-firm relationship in Italian SMEs: ownership and governance issues in a double-fold theoretical perspective", in P. Z. Poutziouris P., Smyrnios, K. X., and Klein, S. B., "Handbook of research on family business", Edward Elgar Publishing.
- Zattoni, A., Gnan, L., Huse, M., (2012) ,"Does Family Involvement Influence Firm Performance? Exploring the Mediating Effects of Board Processes and Tasks", Journal Of Management, ISSN: 0149-2063, DOI: 10.1177/0149206312463936
- Gnan, L. and Songini, L., (2015), "Family involvement and agency cost control mechanisms in family small and medium-sized enterprises", Journal Of Small Business Management, vol. 53, p. 748-779, ISSN: 0047-2778, DOI: 10.1111/jsbm.12085
- Gnan, L., Montemerlo, D., Huse, M. (2015), "Governance systems in family SMEs: the substitution effects between family councils and corporate governance mechanisms", Journal of Small Business Management, p. 1-27, ISSN: 1540-627X, DOI: 10.1111/jsbm.12070
- Gnan, L., Montemerlo, D., Schulze, W., Corbetta, G., (2008), "Governance Structures in Italian Family SMEs" In: (a cura di): Comacchio A. and Pontiggia A., "L'organizzazione fa la differenza", Roma: Carocci Editore, ISBN: 9788843045587
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- Songini, L., Gnan, L., Morelli, C., Vola, P., (2015), "The why and how of managerialization of family businesses: evidences from Italy", Piccola Impresa / Small Business, vol 1, DOI: 10.14596/pisb.179, pp 85-117
- Songini, L., Gnan, L., Malmi, T (2013), "The role and impact of accounting in family business", Journal of Family Business Strategy, vol. 4, p. 71-83, ISSN: 1877-8585, DOI: 10.1016/j.jfbs.2013.04.002
- Gnan, L., Songini, L., (2014), "The glass ceiling in SMEs and its impact on firm managerialisation: a comparison between family and non-family SMEs", International Journal of Business Governance And Ethics, vol. 9, ISSN: 1477-9048
- de Pedys, V. and Antonelli, A., (2008) "Family office for family business", Oxford management Publishing, ISBN 978-1-906728-01-4
- Poutziouris, P., (2001) "Understanding family firms", in (Ed.) Adam, J., Institute of Directors, "The Growing Business Handbook", London: Kogan Page, Chapter 6.3: pp. 9-15, 4th edition, ISBN 074943600X
- Levin, R. and Travis, V., (1987), "Small company finance: what the books don't say", Harvard Business Review, nov-dec: 87608

- Villalonga, B. and Amit, R., (2005), "How do family ownership, control and management affect firm value", Journal of financial economics, 80: 385-417
- Wilson, R., (2013), "The family office Report", FamilyOfficesGroup.com
- Amit, R. and Perl, R., (2012) "2012 Family Governance Report", Wharton Global family Alliance, Wharton School, University of Pennsylvania
- Amit, R. and Lichtenstein, H., (2010), "Benchmarking the Single Family Office" Wharton Global Family Alliance, Wharton School, University of Pennsylvania

### **SUGGESTED VIDEOS**

1. Introductory video: 4 Lessons from the Best Family Businesses  
<https://hbr.org/video/4660653966001/4-lessons-from-the-best-family-businesses>
2. Three circle model: importance of governance, setting goals, holistic leadership and caring for the interests of the family  
<https://www.youtube.com/watch?v=D85pqiL1tNM>
3. The unique strengths and weaknesses of family businesses today, contrasting it with the humble mom-and-pop store the term usually brings to mind  
<https://www.youtube.com/watch?v=suL-HkP-2Ts>
4. The topic of Building a Family Business That Lasts and provides viewers with four key points to walk away with  
<https://www.youtube.com/watch?v=vZ52w3wBP1U>
5. The key attention points and delicacies involved in preparing and transferring a business to the next generation  
<https://www.youtube.com/watch?v=lo9aWtuSEh4>
6. Family Business Governance: Family Constitution  
[https://www.youtube.com/watch?v=i5psd\\_84euA](https://www.youtube.com/watch?v=i5psd_84euA)
7. Family-owned companies need to be run with emotional, as well as professional leadership  
[https://www.youtube.com/watch?v=2bYo2Ph48\\_E](https://www.youtube.com/watch?v=2bYo2Ph48_E)
8. Toward a theory of how some family firms nurture transgenerational entrepreneurship  
<https://www.youtube.com/watch?v=AzFginXvSrM>
9. Family Business Longevity  
<https://www.youtube.com/watch?v=uoHRNLuoYHM>

10. 5 Ways For Private Equity Firms to Raise Capital From Family Offices

<https://www.youtube.com/watch?v=EX8TnQmOFyc>

11. Address the challenges faced by family businesses

<https://www.youtube.com/watch?v=mitel08kE-Q>

12. Conflict in the Family Business

<https://www.youtube.com/watch?v=CVILBwkMVxc>

13. Stories of Wasteful Conflict in Family Businesses

<https://www.youtube.com/watch?v=elzfKRYw1yA>

### **CASE DISCUSSIONS**

We expect that regular attending students are fully engaged in the entire learning process. This means that we expect regular attending students to:

- 1) prepare the assigned readings of the cases prior to each class;
- 2) prepare as a group work a PowerPoint presentation on the case, based on the specific assignment;
- 3) come to class prepared to participate and to discuss in order to enhance the learning of the individual and the class.

**On the web site of the course, students find for each case the relative assignment. Please read carefully the questions before the lesson and use them for preparing the PowerPoint presentation.**

Each student will be involved the class discussion on the cases and tie the assigned reading for the session. The objective is to bring all class members into the discussion. The cases intend to integrate the concepts from the case into the context of the course. **The preparation and the discussion of the cases do not exclude the study of the theoretical concepts useful for the discussion of the cases themselves and for the passing of the exam of the course.**

With the cases' discussions in **CLASSROOM**, each student will develop:

1. The ability to set the parameters for the problem (key concepts from the case).
2. A depth of knowledge about the case subject (understanding of material, good response to the observations of others).
3. The ability to tie-in case with other course concepts.
4. The ability to get others involved in the discussion.

In order to discuss effectively the cases, students do:

- Be prepared with facts and specific quotes from the case.

- Be prepared to make a comment, ask a question, or make a statement about the case.

During the discussion, students do:

- Take a position on a question or a point.
- Ask clarifying questions.
- Help keep the discussion moving and on track.
- Help draw others into the discussion.
- Integrate theories and content from other cases.

During the discussion, students do not:

- Be unprepared and show your lack of knowledge.
- Monopolize the discussion.
- Make irrelevant comments.
- Be insensitive to other's desire to speak or to their opinions.

We kindly invite all the regular attending students to build up **work groups (MINIMUM 3 PERSONS – MAXIMUM 5 PERSONS)**. Each work group should prepare a PowerPoint presentation for each case. Into the first slide, each work group should report the names of the students belonging to the group.

The **structure of the presentation** should follow the following outline:

1. One or more introductory slides aimed at describing/reporting the story, the characters, all the necessary elements in order to define clearly the context and the boundaries of the case.
2. One slide mentioning the questions of the assignment and underlining the learning goals of the case.
3. One or more slides reporting the answers to each question of the assignment.
4. One or more slides reporting the final remarks on the case.
5. One closing slide about the lessons learned after the group discussion of the case.

### **How to prepare the PowerPoint presentation of the case?**

**Introduction** – short presentation of case, short description of the problems and situations that should be coped with the discussion.

**Diagnosis** – Problem setting of the context and of the situation. Description of the main facts and elements connected with the concepts and models of Family Business (e.g. Ownership issues, conflicts, family culture, governance issues, leadership, managing people, succession, etc.). What went wrong and which actions/situations, instead, were right? Which elements could be considered for the diagnosis?

**Solution** – Students should provide a possible solution to questions/problems related with the case and a viable and clear indication on how to approach the situation and how to solve it. The entire proposal should represent a consistent action plan in terms of behaviors and expected results.

**Conclusions** – Conclusions should not be longer than 300-500 words and should provide a description on how the situation and the problem characterized the case, on how Family Business schemata might help to solve the case, and what the proposed solution might generate in terms of family and managerial consequences.

**Lessons learned** – At the end of the presentation elements/suggestions/advice that we “take home” from the case discussion should be clearly identified and reported.

**NOTE:** During the case discussion, students should explicitly address the context and the different situations with concepts related with Family Business and with models and theories of this course.

### Case Discussions’ Class Participation

We believe that the best way to learn, especially about family Business, is to actively participate in your education. In this class, “participation” is defined in terms of quality contributions to class discussion and exercises. There are four prerequisites for successful participation:

1. **Be here on time and prepared.** If you are not here, you cannot contribute much to class discussion. **If you need to miss class for a predictable reason** (e.g., job interview, athletic competition), **please notify us at least 24 hours in advance so that we can arrange for any in-class exercises and so that you can obtain the materials distributed during the class.** Of course, we realize that in some cases unforeseeable emergencies arise. Although we will not directly penalize you for non-attendance, be aware that multiple absences will indirectly hurt you by preventing you from participating in class, thereby lowering your participation grade. To contribute to class discussion, you must come to class having carefully prepared all assignments (i.e., readings, cases, exercises).
2. **Be brave.** Everyone in this class is smart, interesting, and has unique life experiences to share. You will get the most out of this course if you ask questions, voice opinions, and express your thoughts to one another. If you feel uncomfortable talking in class, please send me an email or set up an appointment to talk with me early in the semester. We will do everything we can to accommodate each of your individual circumstances, but we can only do so if they are brought to our attention.
3. **Be courteous.** Successful participation includes treating your classmates in a respectful and professional manner. Listen carefully to the comments and questions that your classmates voice. You may learn something new from their perspectives, and you will be able to avoid simply repeating something that another classmate has said earlier in discussion. Also, it is perfectly acceptable for you to voice disagreement with an opinion provided by another

student. Open debate often leads to the most thoughtful and informative class discussions. However, please voice your disagreement in a kind and considerate manner.

4. **Be engaged.** This class is "unplugged." **Once class starts, all electronics (e.g., computers, cell phones, tablets, etc.) should be turned off and put away.** If you need to use a device because of a language or disability issue, you need to secure permission at the beginning of the class. The misuse of an electronic device (e.g., surfing the web or texting) will adversely affect your grade.

**In order to facilitate the visioning of its own PowerPoint presentation in classroom, each work group should take a personal computer with PowerPoint installed and an available VGA connection.**

**By the 8pm of the day before of the case discussion, all regular attending students should send an email to the course's Instructors, attaching the case presentation prepared. They have to hand over a hard copy of the PowerPoint presentation. ONLY THE HANDING OVER OF THE HARD COPY CERTIFIES THE PREPARATION OF THE CASE FOR THE DISCUSSION. ONLY STUDENTS WHO HAD HANDED OVER ALL THE CASE PRESENTATIONS WILL BE ADMITTED TO THE PRE-EXAM.**

### **Policy for Late Assignments**

As in the business world, work must be received on time in order to receive full credit. If you are late on an assignment, your access to the Pre-Exam will be compromised. You are always welcome to hand in an assignment before its due date if you know that you will be busy as the due date approaches. If you think that you will not be able to complete an assignment by the stated due date, please speak with us in advance to make alternative arrangements. Our policy on late assignments will depend on the specific circumstances surrounding the problem, and thus may differ from student to student. Providing advance notice about a late assignment will minimize the penalty you receive on that assignment, but does not guarantee that there will be no penalty for turning the assignment in late.

### **OTHER LEARNING SOURCES**

Slides and other material will be available on the course website.

**THE SLIDES DO NOT REPRESENT A SUPPORT FOR AN EFFECTIVE AND SUCCESSFUL PREPARATION TO THE EXAM OF THE COURSE. THEY REPRESENT ONLY A HELP TO FACILITATE THE TRANSFER OF THE KNOWLEDGES TO STUDENTS DURING THE LESSONS.**

### **ATTENDANCE**

Because of the concentrated nature of the MScBA programme, attendance in class is very important.

**Students with less than 85% of attendance to lectures and case discussions (including arriving late or leaving early) will be required to prepare for the exam ALL the chapters of the textbook Zellweger, T. *Managing the Family Business: Theory and Practice*, Edward Elgar Publishing, 2017: ISBN: 9781783470709 and ALL the cases discussed in classroom.**

**NOTE:** Attendance for the first class session is mandatory as important information regarding the course and the instructors' expectations are given. If you know in advance that you will be absent for one session, please contact your instructor to ensure that absence from a particular session is acceptable.

### **EXAM**

The exam, depending on the number of the registered student, is a written exam or an oral exam.

In case of a written exam, the duration is about 3-4 hours and it includes:

- a) **Case discussion** - You may be given a case study to which some questions may pertain in order to lead the discussion. As you respond to the questions, please use specific content and theories (use names to identify theories and models) as the basis of your analysis. You will not receive credit for your personal opinions unless backed by theory, lecture, and/or text material. Also, describe how you see the content/theory applying to the situation. Your answers will be evaluated based upon both quantity and quality. Answers that are more complete and demonstrate a higher level of understanding and analysis will receive more points.
- b) **Some questions directly connected to the course textbook** – The questions could open, closed (multiple choice), or a combination of the both. You may be asked to discuss the models and the theories presented during the course. You will be asked to interpret some real incidents and to focus your attention to some specific theoretical issues.

### **PRE-EXAM PARTICIPATION AND EXAM GRADES REGISTERING ON THE BOOKLET**

**Only regular attending students (85% of attendance to lectures and case discussions, including arriving late or leaving early) that have delivered the hard copies of ALL the case to the Instructors are allowed to take the pre-exam.**

**Only regular registered students on the DELPHI System will be allowed to register their grade.**

**The pre-exam grades will be registered on the first official exam date AFTER THE COURSE ENDING. It is compulsory to come on that date of the exam for registering the grade on the Delphi and on the booklet.**

## **TEAM PROJECT**

The purpose of the project is to give your team an opportunity to apply what has been learned in the course (through course lectures, readings, and case discussions) to problems in a family firm of your team's choice.

**Class members, regular attending students, will work in teams of four (4) people.**

**To the Team Project regular attending students will be allowed to achieve a -3/+3 extra points to the final grade of the Pre-Exam. Only regular attending students, taking the Pre-Exam will be accepted for the Team Project.**

Your team should identify a family firm to study (Please, no student groups).

Your team is to gather information from people in the family firm through direct contact. You may supplement this information with data from the media, the organization's literature, and other secondary sources. You should identify a relatively recent problem to analyze (i.e., this should not be an historical account of a problem and the company's solution). You should focus your analysis by applying the concepts from the course. While it is acceptable to incorporate several concepts from the course, please aim for depth rather than breadth regarding the use of course concepts. Your goal is to diagnose the mechanisms that are causing the problem or issue of concern in the organization. Initially, you may notice many symptoms (for instance, a crisis after the succession, seemingly an unhealthy family culture, low family members' commitment and involvement, governance issues, etc.), but your task is to get to the underlying reason for these symptoms. And beware, sometimes the initial symptoms we think we see are not what they appear to be.

There are three broad goals for this assignment:

1. One goal of this assignment is obviously to take the initiative to make a positive contribution to a family firm.
2. Another major goal is to provide an opportunity for you to learn more about family businesses first hand and to use your critical thinking and reflection skills to link your experience with this family firm to your learning in relation to family business theories.
3. The final goal is to provide a forum for you to hone your skills as a team member and leader and to reflect on the learning gained from this team experience. Each team will make a presentation and write a paper that describes what you did for the family firm, what you learned about family business, and what you learned about working on a team.

To meet these broad goals, your team should answer the following questions in the assignments detailed below.

- a) What are the issues or problems facing the family firm?
- b) What course concepts can be applied to understand why this problem is occurring?

c) What recommendations can you offer to help improve the family business functioning?

**Deliverables of the Team Project:**

**1. The project proposal e-mail is due by email to Instructors by the date of the 9<sup>th</sup> session of the course by 5pm. It should include:**

- a) The names of your group members
- b) Your team name
- c) The name of the organization
- d) The name, contact information and level of your contact person
- e) The method you will use to gain access to the organization
- f) A brief description (one paragraph) of the problem facing the organization.

**2. Your written project is due by email to Instructors by the date of the 18<sup>th</sup> session of the course by 5pm.**

It should contain a maximum of 15 double spaced pages (1 cm margins, 12 point font). You will be penalized significantly for exceeding this limit. The limit does not include appendices, which you are free to use to provide charts, figures, or other background material not necessary in the main body of your analysis. However, appendices that are not directly referenced in the main text will not be read. **LATE PROJECT WRITE-UPS WILL NOT BE ACCEPTED.**

This written project should summarize what you did for/within the family firm, what you have learned about family business, and what you have learned about working on a team.

**Grading of the Team Project:**

Your group project will be evaluated on the following criteria:

- a. Problem definition: How well (i.e., thoroughly and concisely) do you describe the family business context, the relevant parties, and the factors that are important to the problem?
- b. Accurate and thorough use of course concepts.
- c. Integration of course concepts with information about the family firm and problem, i.e., how well do you integrate course concepts with information about the problem to illuminate the problem in a way that leads to solutions?
- d. Extent to which recommendations are consistent with analysis.
- e. Quality of written analysis.

**ANALYTICAL SYLLABUS**

#	Agenda	Lecture/ Case discussion	Lecturer
<b>SECTION 1: Family firms: prevalence and relevance</b>			
1	<p><b>Introduction of the course (Chapter 1: Zellweger, pages: 1-3)</b></p> <ol style="list-style-type: none"> <li>1. Thematic focus</li> <li>2. Intended audience</li> <li>3. Structure and pedagogical tools</li> </ol> <p><b>Defining the family business (Chapter 2: Zellweger, pages: 4-22)</b></p> <ol style="list-style-type: none"> <li>1. The distinction between family and nonfamily firms</li> <li>2. Defining family business by type of family involvement</li> <li>3. Circle models of family influence</li> <li>4. Family firm identity</li> <li>5. Family business definition</li> </ol>	Lecture	GNAN
2	<p><b>Prevalence and economic contribution of family firms around the globe (Chapter 3: Zellweger, pages: 24-33)</b></p> <ol style="list-style-type: none"> <li>1. Prevalence of family firms worldwide</li> <li>2. Economic contribution of family firms</li> <li>3. Institutional setting and the prevalence of family firms</li> </ol> <p><b>Strengths and weaknesses of family firms (Chapter 4: Zellweger, pages: 36-42)</b></p> <ol style="list-style-type: none"> <li>1. Typical strengths of family firms</li> <li>2. Typical weaknesses of family firms</li> <li>3. Bivalent attributes of family firm characteristics</li> </ol> <p><b>CASE STUDY: More than a move to Mexico (Chapter 4: Zellweger, pages: 43-45)</b></p>	Lecture and Case	GNAN
<b>SECTION 2: Governance in the family firm</b>			
3	<p><b>Governance in the family firm: premises, corporate and ownership governance (Chapter 5: Zellweger, pages: 46-72)</b></p> <ol style="list-style-type: none"> <li>1. Why do family firms need governance?</li> </ol>	Lecture	GNAN

	<ol style="list-style-type: none"> <li>2. Typical governance constellations in family firms</li> <li>3. Performance implications of governance constellations</li> <li>4. Untangling corporate, ownership, family governance</li> <li>5. Corporate governance</li> <li>6. Ownership governance</li> </ol>		
4	<p><b>Governance in the family firm: family governance</b> <b>(Chapter 5: Zellweger, pages: 73-105)</b></p> <ol style="list-style-type: none"> <li>1. Family governance</li> <li>2. Governance documents: code of conduct and family charter</li> <li>3. Governance bodies: family assembly and family council</li> <li>4. Integrated governance in family firms</li> </ol> <p><b>CASE STUDY: Beretti Holdings—More than a retirement decision</b> <b>(Chapter 5: Zellweger, pages: 109-112)</b></p>	<b>Lecture and Case</b>	GNAN
<p><b>SECTION 3:</b> <b>Strategic management in the family firm</b></p>			
5	<p><b>Strategic management in the family business: competitive advantages and the agency perspective</b> <b>(Chapter 6: Zellweger, pages: 116-134)</b></p> <ol style="list-style-type: none"> <li>1. Strategic decision making in family firms</li> <li>2. Conceptualizing the competitive advantage of family firms</li> <li>3. The agency perspective</li> </ol> <p><b>CASE STUDY: Henkel's Genthin plant</b> <b>(Chapter 6: Zellweger, page: 125)</b></p>	<b>Lecture and Case</b>	GNAN
6	<p><b>Strategic management in the family business: RBV and OI perspectives</b> <b>(Chapter 6: Zellweger, pages: 137-163)</b></p> <ol style="list-style-type: none"> <li>1. The resource-based perspective</li> <li>2. The organizational identity perspective</li> </ol> <p><b>CASE STUDY: Branding and CSR at HiPP</b> <b>(Chapter 6: Zellweger, pages: 165-166)</b></p>	<b>Lecture and Case</b>	GNAN
7	<p><b>Strategic management in the family business: institutional and paradox perspectives</b> <b>(Chapter 6: Zellweger, pages: 167-194)</b></p> <ol style="list-style-type: none"> <li>1. The institutional perspective</li> <li>2. The paradox perspective</li> <li>3. Generic strategies for family firms</li> <li>4. Tools for strategic management in family firms</li> </ol> <p><b>CASE STUDY: Managing paradoxes</b> <b>(Chapter 6: Zellweger, pages: 193-194)</b></p>	<b>Lecture and Case</b>	GNAN

<b>SECTION 4: Succession in the family firm</b>			
8	<b>Succession in the family firm: goals and processual issues (Chapter 7: Zellweger, pages: 203-234)</b> <ol style="list-style-type: none"> <li>1. Succession options</li> <li>2. Opportunities and challenges of succession options</li> <li>3. Significance of succession options</li> <li>4. Declining relevance of infra-family succession</li> <li>5. Sources of complexity in family business succession</li> <li>6. Structuring the succession process: succession framework</li> <li>7. Clarifying goals and priorities</li> </ol>	<b>Lecture</b>	GNAN
9	<b>Succession in the family firm: change strategy and who is in charge of the change (Chapter 7: Zellweger, pages: 240-254)</b> <ol style="list-style-type: none"> <li>1. Reviewing the firm's strategy</li> <li>2. Planning the transition of responsibilities</li> </ol>	<b>Lecture</b>	GNAN
10	<b>Succession in the family firm: value, finance, legal, and tax issues (Chapter 7: Zellweger, pages: 258-305)</b> <ol style="list-style-type: none"> <li>1. Valuing the firm</li> <li>2. Financing the succession</li> <li>3. Defining the legal and tax setup</li> </ol> <b>CASE STUDY: Bernet's choice—Valuation, emotional value, family discount and fair distribution of assets within the family (Chapter 7: Zellweger, pages: 306-307)</b>	<b>Lecture and Case</b>	GNAN
<b>SECTION 5: Change and transgenerational value creation</b>			
11	<b>Change and transgenerational value creation (Chapter 7: Zellweger, pages: 311-356)</b> <ol style="list-style-type: none"> <li>1. Change and adaptation in family firms</li> <li>2. Longevity of family firms</li> <li>3. Transgenerational value creation in family firms</li> </ol> <b>CASE STUDY: Transgenerational value creation at Ahlstrom (Finland) (Chapter 8: Zellweger, pages: 361-363)</b>	<b>Lecture and Case</b>	GNAN
<b>SECTION 6: Interpersonal relationships and conflict in the family firm</b>			
12	<b>Interpersonal relationships and conflict in the family firm: social issues, family values, and perceptions (Chapter 10: Zellweger, pages: 428-466)</b> <ol style="list-style-type: none"> <li>1. The social structure of the family</li> </ol>	<b>Lecture</b>	GNAN

	<ol style="list-style-type: none"> <li>2. Trends in the social structure of the family</li> <li>3. International variance in family values</li> <li>4. Understanding interpersonal dynamics in the family firm: a systemic view</li> <li>5. Justice perceptions</li> </ol>		
13	<p><b>Interpersonal relationships and conflict in the family firm: managing conflicts</b>  <b>(Chapter 10: Zellweger, pages: 468-487)</b></p> <ol style="list-style-type: none"> <li>1. Why family firms are fertile contexts for conflict</li> <li>2. Types of conflict</li> <li>3. Conflict dynamics</li> <li>4. Conflict-management styles</li> <li>5. Communication strategies</li> <li>6. How to behave in the face of conflict</li> </ol> <p><b>CASE STUDY: Conflict in the Solomon family</b>  <b>(Chapter 10: Zellweger, pages: 488-491)</b></p>	<b>Lecture and Case</b>	GNAN
<p><b>SECTION 7:</b>  <b>Financial management in the family firm</b></p>			
14	<p><b>Financial management in the family firm: differences with no family firms</b>  <b>(Chapter 9: Zellweger, pages: 368-379)</b></p> <ol style="list-style-type: none"> <li>1. Why finance is different for family firms</li> <li>2. Family equity as a distinct asset class</li> <li>3. Performance of family firms: a short review of the evidence</li> <li>4. Risk taking in family firms</li> </ol>	<b>Lecture</b>	GNAN
15	<p><b>Financial management in the family firm: financial tools</b>  <b>(Chapter 9: Zellweger, pages: 380-400)</b></p> <ol style="list-style-type: none"> <li>1. Debt financing</li> <li>2. Equity financing</li> <li>3. Leverage</li> <li>4. Value management</li> <li>5. Key financial indicators</li> <li>6. Dilemmas in the financial management of family firms</li> </ol>	<b>Lecture</b>	GNAN
16	<p><b>Financial management in the family firm: financial sustainability</b>  <b>(Chapter 9: Zellweger, pages: 402-407)</b></p> <ol style="list-style-type: none"> <li>1. Principles for the sustainable financial management of family firms</li> <li>2. The role of the CFO in family firms</li> </ol> <p><b>CASE STUDY: Tom's world</b>  <b>(Chapter 9: Zellweger, pages: 422-424)</b></p>	<b>Lecture and Case</b>	GNAN

17	<b>Financial management in the family firm: compensations (Chapter 9: Zellweger, pages: 407-411)</b> 1. Management compensation in family firms <b>CASE STUDY: Medco Energi Internasional (HBS 9-207-021)</b>	<b>Lecture and Case</b>	GNAN
18	<b>Financial management in the family firm: family offices (Chapter 9: Zellweger, pages: 412-417 and Chapter 5: Zellweger, pages: 83-89)</b> 1. The responsible shareholder in the family firm 2. Wealth governance	<b>Lecture</b>	GNAN