

FAMILY-OWNED BUSINESSES

SYLLABUS

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PEREGRINE

— GLOBAL SERVICES —

ACADEMICS • LEADERSHIP • PUBLICATIONS

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Overview

A family business is a commercial organization in which decision-making is influenced by multiple generations of a family, related by blood or marriage or adoption, who has both the ability to influence the vision of the business and the willingness to use this ability to pursue distinctive goals. Family-owned businesses are closely identified through leadership or ownership. Owner-manager entrepreneurial firms are not considered to be family businesses because they lack the multi-generational dimension and family influence that create the unique dynamics and relationships of family businesses. Such businesses are the oldest and most common model of an economic organization.

The interests of a family member may not be aligned with the interest of the business. For example, if a family member wants to be president but is not as competent as a non-family member, the personal interest of the family member and the wellbeing of the business may be in conflict.

The interests of the entire family may not be balanced with the interests of their business. For example, if a family needs its business to distribute funds for living expenses and retirement but the business requires those to stay competitive, the interests of the entire family and the business are not aligned.

The interest of one family member may not be aligned with another family member. For example, a family member who is an owner may want to sell the business to maximize their return, but a family member who is an owner and also a manager may want to keep the company because it represents their career, and they want their children to have the opportunity to work in the company.

The purpose of this module is to understand the unique structures, operations, and dynamics of family-owned businesses.

Learners

This module is designed for a learner who is a member of a family-owned business, owns a family-owned business, or desires to start a family-owned business.

The module may qualify for Continuing Education Units (CEU) for professional certifications depending on the professional association.

Module Authors

The author for this module is Peregrine Global Services, headquartered in Gillette, Wyoming. Materials from a variety of sources may have been utilized in the development of this module. Please refer to the reference section for additional information.

Learning Outcomes

The learning outcomes for the module are as follows. With the completion of this module, learners should be able to:

1. Understand the nature and structures of family-owned businesses.
2. Understand the philosophy, characteristics, and benefits of family-owned businesses.
3. Grow a family-owned business.
4. Manage and develop a family-owned business.
5. Perform governance related activities for a family-owned business.
6. Manage the complex dynamics of the family enterprise system.
7. Grow, preserve, and share the wealth of a family-owned business.
8. Sustain a family enterprise.

Curriculum

<u>Section</u>	<u>Topics / Subtopics</u>
Section 1: Introduction to Family-owned Business	<ul style="list-style-type: none"> • What is a Family-owned Business? • Working with Family Members • Ways to Work Well with Family (Video) • Starting a Family-owned Business • 14 Pros and Cons for Starting a Business with Family Members (Article) • How to Start a Family-owned Business (Video) • Family Matters: Can Starting a Family-Owned Business Be Recession-Proof? (Article) • Ten Essential Tips for Running a Family Business (Article)

	<ul style="list-style-type: none"> • 20 Tips on How to Start a Family Business at Home Successfully (Article) • Family vs. Non-family Employees • Family and Non-family Employees (Video) • Things to Consider When Hiring Family Members (Article) • Board of Directors Roles in Family Business • Family Business Board of Directors (Video) • What is a Board’s Role in a Family Business? (Article) • The Roles and Responsibilities of Family Ownership (Article) • Managing the Family-owned Business • Issues in Family-owned Businesses • Passing Down a Family-owned Business (Video) • Family Ownership Top 10 Issues (Article)
<p>Section 2: Family Business- Philosophy, Characteristics and Benefits</p>	<ul style="list-style-type: none"> • Family Business Philosophy • Building a Family Business Philosophy (Video) • Characteristics of a Family Business • The Five Attributes of Enduring Family Businesses (Article) • Benefits of Family-owned Enterprises • Three Benefits of Working with a Family-owned Business (Article)
<p>Section 3: Entrepreneurship and Growing the Family Business</p>	<ul style="list-style-type: none"> • Strategic Management for Family Business • Strategy and Succession (Video) • Strategy and Change • Change Management Strategies: Know the Best Strategies to Use When Implementing a Change Management Strategy (Article) • Ten Change-Management Strategies That Are Backed by Science (Article) • Professionalizing the Family Business • Change Management Strategies (Video) • A Founder’s Guide to Professionalizing a Family Business (Article) • Models of Family Business • Family Business Framework – The Three Circle Model (Article)

<p>Section 4: Managing and Developing Family Business</p>	<ul style="list-style-type: none"> • Understanding Your Family • A Step-by-Step Guide to Making a Genogram (Article) • Family Enterprise Dynamics • Conflict Management in Family Enterprise • Conflict Management in a Family-owned Business (Video) • Five Conflict Resolution Strategies (Article) • Eight Strategies for Conflict Management in Family Meetings (Article) • Communications • Communications in a Family-owned Business (Video) • Non-Family Management • A Non-family CEO: Invader or Savior? (Article)
<p>Section 5: Governance and Ownership</p>	<ul style="list-style-type: none"> • Family Governance and Communication • Governance in a Family-owned Business (Video) • Intergenerational Communication and Family Governance: Myths and Realities (Article) • Business Governance and Boards of Directors • Corporate Governance in Family-owned Companies (Article) • The Role of the Board of Directors in Corporate Governance (Article) • Financial Considerations and Valuation • Three Business Valuation Methods (Article) • Transfer, Estate, and Gift Tax Planning • Succession Planning in Family-owned Businesses • Succession Planning Tips (Video) • How to Make Family Business Succession Successful (Article) • Advisory Boards • Advisory Board Best Practices: Roles and Advice (Article) • Family Councils • Family Councils and Assemblies: Building Blocks in Family Enterprise Sustainability (Article) • Policies, Procedures, and Processes • Seven Rules for Avoiding Conflicts of Interest in a Family Business (Article)

<p>Section 6: Managing the Complex Dynamics of the Family Enterprise System</p>	<ul style="list-style-type: none"> • Strengths and Weaknesses of Family Businesses • Strengths and Weaknesses of Family Businesses (Video) • Shareholder Agreements • Building Positive and Effective Work Relationships • Managing Conflict in Business Families • Conflict Management in Family-owned Businesses (Video) • Conflict in a Family Business (Article) • Communicating Effectively with Family Members • Management Problems in Family-owned Businesses
<p>Section 7: Growing, Preserving, and Sharing the Wealth</p>	<ul style="list-style-type: none"> • Strategies for Growth • Sustaining Business Growth (Video) • Top Six Ways to Sustain Business Growth (Article) • Wealth and Ownership Distribution • Trusts Still Attractive to Family Business Owners (Article) • Five Strategies to Keep Your Heirs From Blowing Their Inheritance (Article) • Using an Intentionally Defective Irrevocable Trust (IDIT) to Gift Your Family Business (Article) • Analyzing Direct and Indirect Investments • Four Strategies for Breaking into the International Market (Article) • Valuing a Start-up • How to Value Your Startup – Eight Effective Formulas to Get You Started (Article)
<p>Section 8: Sustaining the Family Enterprise</p>	<ul style="list-style-type: none"> • Next Generation Leadership • Smart Ways to Transfer the Family Business (Article) • Succession Planning • Eight Keys to Passing Down a Family Business (Article) • Family Business Succession: 15 Guidelines (Article) • Managing Ownership and Leadership Transitions • A Surprising Cure for the Most Common Family Business Problem (Article) • Taking Charge and Letting Go • Letting Go (Video) • Managing Family Business Succession- a Six Step Process (Article)

	<ul style="list-style-type: none"> • Leadership is Knowing When to Let Go (Article) • How to Gain Control by Letting Go (Article) • The Art of Letting Go: Why First Generation Family Business Owners Avoid Leadership Transition (Article) • The Ten Qualities of a Good Leader (Article) • Leadership • Transitioning a Family-owned Business to the Next Generation (Video) • Developing Leadership in the Family Business (Article) • How to Develop Your Future Leaders (Article)
Section 9: Summary and Assessment	<ul style="list-style-type: none"> • Summary • Assessment

Delivery

The module is delivered using Peregrine’s Learning Management System (LMS), known as CMAD. Course instruction is with asynchronous online learning activities.

References & Resources

Refer to the Annotated Bibliography on Family-owned Businesses.

Assessment

Throughout the module, there are in-progress quizzes and short exercises to ensure understanding of the instructional content. A completion certificate is issued when the learner obtains at least 80% on the final exam.

Hours and Articulation

Learner hours are shown in the following table. The hours are based on both the time within the module and time away from the module conducting application activities.

<u>Section</u>	<u>Hours</u>
Section 1: Introduction to Family-owned Business	3
Section 2: Family Business- Philosophy, Characteristics and Benefits	3

Section 3: Entrepreneurship and Growing the Family Business	3
Section 4: Managing and Developing Family Business	3
Section 5: Governance and Ownership	3
Section 6: Managing the Complex Dynamics of the Family Enterprise System	3
Section 7: Growing, Preserving, and Sharing the Wealth	3
Section 8: Sustaining the Family Enterprise	3
Section 15: Summary and Assessment	1
Total Hours	25