



Lloyd Greif Center
for Entrepreneurial Studies

USC Marshall
School of Business

BAEP 480: Entrepreneurial Family Business
Tuesday & Thursday 2:00 to 3:50 PM
HOH 304

SPRING 2016 SYLLABUS
Version 1.0

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Coaching Hours: By Appointment

Individual appointments – I am very happy to schedule an individual meeting with you. Please contact me by email to schedule. If need be, we can adjust the schedule to fit your needs. Email is the preferred format for messages and setting up appointments.

Introduction and Course Objective

Family Business dominates the United States business world. According to the University of South Maine's Institute of Family Owned Business, family business accounts for 50% of USA's GDP and generate 60% of the country's employment and 78% of all new job creation. This course creates an opportunity for students to look into the dynamics that make up how family businesses react in the current business climate. We will explore generational, sibling and extended family issues and how they play out in the workplace. The course will look at succession; new opportunities and how new members create value to the enterprise.

The value of this Family Business course is formalizing how to think and act in an entrepreneurial Family Business.

As a student participating in this class, you will be doing in depth research into a current family business. Many if not most students will be examining their own family business. If you choose, you can work closely with an outside family business and we can work together to identify a suitable business.

This course is not limited to students who want to join a family business immediately upon graduation. This is a course for the rest of your life. It applies to individuals and teams starting new ventures or new opportunities within an existing family firm. Many successful graduates

spend the first several years outside a family firm learning an industry and gaining general life and business experience.

Facts About Family Owned Businesses:

- 80% of the world's businesses are family owned.
- Family-run businesses account for more than half of the nation's gross domestic product.
- Nearly 35% of family-owned businesses are Fortune 500 and other large companies including Ford, Koch Industries, Cargill, Wal-Mart, Weyerhaeuser, Loews, and Ikea.
- Approximately 60% of all public companies in the US are family controlled.
- Many family businesses were started after WWII.
- More than 25% of family firms expect the next CEO to be a woman.
- More than 30% of all family owned businesses survive into the second generation.

Learning Objectives

In this course, you will develop an understanding of the dynamics of joining a family firm and this newfound **knowledge** will help in securing your value and opportunities within your Family Business.

Specifically, you will:

1. Identify the opportunities and obstacles in Family Business
2. Compare the actual make--up of different types of family firms
3. Describe business models and how they evolve to meet the realities of the growing family
4. Assess the internal flows of information and activity, how they interplay and the financial consequences
5. Explain the influences of leadership, sibling position and other factors family firms face
6. Highlight the personal and inter--personal issues associated with Family Business.

In addition, this course also provides an opportunity for you to develop your **personal capabilities**. Specifically, you will develop:

1. Analyze and critically evaluate alternative courses of action
2. Find and use resources to answer your questions
3. Formulate the right questions, rather than seeking answers
4. Not be constrained by resources in launching a new venture
5. Form conclusions and recommendations supported by logic and evidence
6. Deliver oral presentations to a large audience
7. Ask questions and present viewpoints in discussions
8. Write well-structured, clear, and concise documents
9. Effectively plan and structure tasks
10. Manage their time to focus on outcomes
11. Work effectively to lead or as part of a team

To achieve these objectives, a combination of methods will be used in the course, including lectures, case studies, individual projects, student presentations, and guest lectures.

Required Materials

Poza, Ernest J. and Daugherty, Mary. 2010. *Family Business 4th Edition*. South-Western Cengage Learning. You may rent a digital copy of the textbook at a substantial discount at http://www.amazon.com/Family-Business-Ernesto-J-Poza/dp/1285056825/ref=dp_ob_title_bk

READINGS: We will use the textbooks; as well as additional readings will be posted on BB. Each reading has questions that help you to get the most out of the reading. You are required to bring a one page typed paper to turn in during class for each reading. Students are expected to come prepared to discuss and apply the readings as assigned in Class Schedule – this is part of your participation grade. You can volunteer as well as be randomly called to lead class in discussion.

Questions to prepare for readings

Our readings are important and help to reinforce the teachings and discussions we have in class. A list of questions has been prepared for each Reading assignment. Please take the time to answer the questions and submit them at the beginning of class. One page typed with your clear, concise and thoughtful answers will be fine. Feel free to use headings, bullet points, or other simple ways to convey your point of view.

Chapter 1 **DUE: 1/26**

- What is a family business?
- What makes a family business unique?
- What are four primary theoretical perspectives on family business?

Chapter 2 **DUE: 2/04**

- What is the importance of family emotional intelligence?
- What benefits do family meetings bring to the family business?
- What value does family business interactions bring to the firm?

Chapters 4 **DUE: 2/11**

- What institutions are best qualified to govern a family firm?
- What are common challenges to governing a family business relationship?
- What policies are families encouraged to develop to for family business continuity?

Chapters 6 **DUE: 2/16**

- What are the four primary motivations for successors to join the firm?
- What are critical developmental experiences for successors?
- What additional considerations should be given to sibling team succession?

Chapters 3 **DUE: 2/23**

- Why are family business CEOs often an obstacle to succession?
- What are the six most common CEO exit styles and what are their implications?
- What are the CEO spouse role types and the implications of each role on the firm?

Chapters 9 **DUE: 3/08**

- What do effective board members do?
- What steps can a family firm CEO take to make the board effective?
- What criteria should be used for board member selection?

- What are the unique advantages does strategic planning offer the family business?
- Why is a mature family business so vulnerable to decline?
- How can innovation and digital strategies give the firm a competitive advantage?

SUGGESTED READINGS:

- Collier, C.W. (2002). *Wealth in Families*. Harvard University.
- Fleming, Q.J. (2000). *Keeping the Family Baggage Out of the Family Business*. New York: Simon & Shuster.
- Gersick, K.E., Davis, J.A., Hampton, M.M., & Lansberg, I. (1997). *Generation to Generation: Life Cycles of the Family Business*. Harvard Business School Press
- Hilburt-Davis J. and Dyer Jr. W.G. (2002). *Consulting to Family Business: Contracting, Assessment, and Implementation (organizational development)*. Pfeiffer Publishing.
- Lansberg, I. (1999). *Succeeding Generations: Realizing the Dream of Families in Business*. Harvard Business School Press
- Ward, J.L. (2004). *Perpetuating the Family Business: 50 Lessons Learned From Long-Lasting Successful Families in Business*. New York: Palgrave MacMillan.

Participation and Class Assignments

The Entrepreneur Program is a real life experience and as such expects real world professionals. The class is treated as a business meeting. The motto is “*treat each other as you would a customer.*” Therefore, tardiness and absences without notice are not acceptable. If you have a customer meeting, you will be on time. If you cannot be on time, you will call well in advance. Similar etiquette is required in this program.

Your responsibilities for all classes are to:

1. Attend the class promptly
2. Complete all assigned projects
3. Analyze what role you’ve played in the project
4. Participate actively on the team and in classroom discussions

Participation is 10% of the total grade and evaluated based on your attendance and level of involvement in class discussions and in-class exercises. It is impossible to earn a participation grade if the student is not in class. Students are expected to attend all classes on time and stay until dismissed.

Our readings are important and help to reinforce the teachings and discussions we have in class. A list of questions has been prepared for each reading assignment. Please take the time to answer the questions and submit them to Blackboard prior to the beginning of class. Two page maximum, typed with your clear, concise and thoughtful answers will be fine.

In order to effectively participate in class discussions and get the most out of each session, it is very important that you complete all assignments for the class. Effective class participation consists of analyzing, commenting, questioning, discussing, and building on others’ contributions; it is not repeating facts, or monopolizing class time. The ability to present one’s ideas concisely and persuasively and to respond effectively to the ideas of others is a key entrepreneurial skill. One of the goals of this course is to help you sharpen that ability.

Late Submissions

On-time paper delivery

An assignment is considered to be delivered on time when it is uploaded to Blackboard prior to the class meeting (5:59 pm) starting time on the date that it is due.

The following deductions apply for late submission of the course work:

Submission between the beginning & end of class:	10% loss of score
Submission between the end of class and 48 hours of the date due:	20% loss of score
Submission after 48 hours:	NO SCORE

If you must be absent for a class meeting, deliver your hard copy of your work to the office at Bridge Hall 1 before the class in order to be considered on time. Assignments will only be accepted in class on the due date. All late submissions need to be turned in to the office to be date and time stamped. **If you only upload to Blackboard, your paper will be considered late.**

Evaluation of Your Work

You may regard each of your submissions as an “exam” in which you apply what you’ve learned according to the assignment. I will do my best to make my expectations for the various assignments clear and to evaluate them as fairly and objectively as I can. If you feel that an error has occurred in the grading of any assignment, you may, within one week of the date the assignment is graded, write me a memo (hard copy only) in which you request that I re-evaluate the assignment. Attach the original assignment to the memo and explain fully and carefully why you think the assignment should be re-graded. Be aware that if you make this request that the entire assignment will be re-evaluated. This can lead to one of the following three grade adjustments: positive, none, or negative.

Guest Speakers

We will have many guest speakers this semester who are entrepreneurs in various stages in the development of their businesses as well as others who bring a particular expertise that students can learn from. The guest speakers are one of the most valuable aspects of the course and should not be missed. **Arriving late or leaving early on a speaker date is not acceptable. Walking out during a guest lecture is rude and reflects on all of us.**

ASSIGNMENTS AND GRADING DETAIL

Due	Assignment	Points
January 19	Why You and Your Family Firm	100
January 19	About Me & Questionnaire	-
February 2	In Family Interview	100
February 18	Family Genogram	200
February 18	5 Key Resources	50
March 8	Outside Family Firm Case	50
March 24	Family Firm SWOT Analysis	200
March 24	5 Key Resources	50
March 31	Identifying Future Opportunities	200
March 31	5 Key Resources	50
April 21	Final Family Plan	600
April 21	5 Key Resources	50
April 26	Family Pitch	100
	Thank You Letters	50
	Participation	200
	TOTAL FOR CLASS	2000

Not Graded (+ / n / -)

QUESTIONNAIRE & ABOUT ME
READINGS

- **Note – If you do not turn in these, you will be deducted 100 points for each one.**

Class Assignments

The attached class schedule lists the topics, outlines the assignments and defines the due dates for the semester. I am certain that there will be some confusion and you need only ask for clarification in advance. Being late or not meeting the expectation after the fact or because you did not understand the assignment is disappointing for both of us.

Project Presentations

Each Student will be asked to present various assignments and projects. **All students** should prepare a PowerPoint (“PPT”). Bring the PPT printed full size in color to class for your presentation.

GOTO: Sharing Strangers and Information (Up to 25 Bonus Points)

Plan to submit at least one effort as a *Good of the Order*. This concept is to encourage you to share the **contacts** you make and/or **information** you gather throughout the semester. If presenting on a person, your presentation should be in the form of a PPT covering the person, how you learned of them, how you made contact, what you wanted to learn, what you learned and what the hand off or next scheduled action is. If presenting on an article, your presentation should also be in the form of a PPT covering the subject matter, how it is relevant to managing a business and what you have learned. ***The GOTO's are not meant to be book reports or recounting of a conversation.*** They are meant to show how you can relate current news and insights from industry experts to our class and managing a business.

If you plan to submit a GOTO, you must submit your request at least a day prior to the class along with, at most, two PPT slides. If reporting on an article, you must provide a copy of the article as well. If it is an interview, provide a list of questions asked along with the responses. You will have three minutes to present and another to minutes for questions and answers. **There will be no GOTO's in the last two weeks of the class.**

Guest Lecturer Thank You Letters (10) each (50) Total

Each student will have an opportunity to write a formal business letter to one or more guest lecturers after their presentation in class. Letters are to be typed, dated, formally addressed inside as well as the envelope, signed, stamped (right corner) but not sealed and turned in no more than (7) seven days after the lecture. I will put in mail after reading and giving points. If you are not present for a guest lecturer, you cannot submit a thank you letter. Please review Blackboard for further information and examples.

Class Schedule

Subject to change throughout the semester.
Please check Blackboard for updates.

January 12

*Review of the Syllabus
Introduction to BAEP 480
Professor Napoli Introduction*

January 14

*Getting to Know All About You
Why this class?
What do you want to take away?*

January 19

Presenting You and Your Family Firm

January 21

*Gita Govahi, Director of the ELC
Meyers/Briggs*

January 26

*Assessment Discussion of Family Unity
Conflict Management
Family Employment Policy
Setting the foundation for generations to come*

January 28

Living Case: TBD

February 2

In Family Interview Presentation

February 4

*What is a genogram?
How are they used for management and
succession planning?*

February 9

*Living Case: Barbara Risher Welch
www.rishermortuary.com*

February 11

*Rewards and challenges for the next generation
Next Generation Attributes
Family Relations*

February 16

*The CEO and Governance
CEO exit styles and transfer of power
CEO spouse role*

February 18

Genogram Presentations

February 23

*Basis of SWOT analysis
Looking at unique business models
Life cycle stages
Competitive advantages*

February 25

Living Case – TBD

March 1

What are legal forms of operating a business?

March 3

Outside Case Study

*Not all corporations are made the same.
What exactly is a non-profit?*

March 8
*Non-Family Managers
Competition & Benefits
Outside Advisors*

March 10
Living Case: Chase Russell
www.russellfischer.com

March 15
Spring Break – No Class

March 17
Spring Break – No Class

March 22
Living Case: TBD

March 24
SWOT Presentations

March 29
Living Case: TBD

March 31
Future Opportunities Presentation

April 5
*Family Governance
Board of Directors
Advisory Board
Family Council
Top Management Teams*

April 7
Living Case: TBD

April 12
Keith Saarloos, Saarloos & Sons Winery
www.saarloosandsons.com

April 14
*Review of Speakers
Review of Final Projects*

April 19
Living Case – TBD

April 21
Living Case – TBD

April 26
Family Pitch Presentations

April 28
Family Pitch Presentations

ATTENDANCE IS MANDATORY

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**UNIVERSITY OF SOUTHERN CALIFORNIA
MARSHALL SCHOOL OF BUSINESS**

The Lloyd Greif Center for Entrepreneurial Studies

CONFIDENTIALITY POLICY

Throughout The Entrepreneur Program's classes and events, students will be exposed to proprietary information from other students, guest lecturers and faculty. It is the policy of The Entrepreneur Program that all such information is to be treated as confidential.

By enrolling in and taking part in The Entrepreneur Program's classes and activities, students agree not to disclose this information to any third parties without specific written permission from students, guest lecturers or faculty, as applicable. Students further agree not to utilize any such proprietary information for their own personal commercial advantage or for the commercial advantage of any third party.

In addition, students agree that any legal or consulting advice provided without direct fee and in an academic setting will not be relied upon without the enlisted opinion of an outside attorney or consultant, without affiliation to The Program.

Any breach of this policy may subject a student to academic integrity proceedings as described in the University of Southern California University Governance Policies and Procedures as outlined in *SCampus*, and to the remedies that may be available at law.

The Entrepreneur Program, the Marshall School of Business and the University of Southern California disclaim any responsibility for the protection of intellectual property of students, guest lecturers or faculty who are involved in The Entrepreneur Program classes or events.

Receipt of this policy and registration in our classes is evidence that you understand this policy and will abide by it.

Course Communication

Course communication will take place through announcements in class, emails, and Blackboard (<http://blackboard.usc.edu/>). Many of the emails sent by the instructor will go through Blackboard. As a result, it is imperative that you have a fully operational Blackboard account with an email address posted. Two key points:

- **All material posted by the professor in Blackboard will be assumed communicated to students and they are responsible accordingly.**
- **All papers will be due in a 'hard copy' in class (bring hard copies to each class for discussion) as well as posted in Blackboard.**

USC MARSHALL WEP (wireless environment protocol)

Fellow students and the professor deserve your full attention. Only then can a productive learning environment be established.

ANY e-devices (cell phones, PDAs, iPhones, Blackberries, other texting devices, laptops, iPods, iPads) must be completely turned off during class time. Upon request, you must comply and put your device on away. You might also be asked to deposit your devices in a designated area in the classroom.

Please be respectful.

Add and Drop Process

In compliance with USC and Marshall's policies classes are open enrollment (R-clearance) through the first week of class. All classes are closed (switched to D-clearance) at the end of the first week. This policy minimizes the complexity of the registration process for students by standardizing across classes. I can drop you from my class if you don't attend the first two sessions. Please note: If you decide to drop, or if you choose not to attend the first two sessions and are dropped, you risk being not being able to add to another section this semester, since they might reach capacity. You can only add a class after the first week of classes if you receive approval from the instructor.

Marshall Grading Guidelines

Course Grading Policy: Marshall's target mean GPA is 3.0 for required classes and 3.3 for electives. The mean target for graduate classes is 3.3. There is no mandated curve or hard target for grades. Assignment/Exam Grading Policy: the instructor determines what qualifies as an accurate grade on an assignment, exam, or other deliverable, and the instructor's evaluation of the performance of each individual student is the final basis for assigning grades for the course.

Students with Disabilities

Any student requesting academic accommodations based on a disability is required to register with Disability Services and Programs (DSP) each semester. A letter of verification for approved accommodations can be obtained from DSP. Please be sure the letter is delivered to me (or to

TA) as early in the semester as possible. DSP is located in STU 301 and is open 8:30 a.m.–5:00 p.m., Monday through Friday. The phone number for DSP is (213) 740-0776.

Academic Integrity

USC seeks to maintain an optimal learning environment. General principles of academic honesty include the concept of respect for the intellectual property of others, the expectation that individual work will be submitted unless otherwise allowed by an instructor, and the obligations both to protect one's own academic work from misuse by others as well as to avoid using another's work as one's own. All students are expected to understand and abide by these principles. SCampus, the Student Guidebook, (www.usc.edu/scampus), contains the Student Conduct Code in Section 11.00, while the recommended sanctions are located in Appendix A.

Students will be referred to the Office of Student Judicial Affairs and Community Standards for further review, should there be any suspicion of academic dishonesty. The Review process can be found at: <http://www.usc.edu/student-affairs/SJACS/> Failure to adhere to the academic conduct standards set forth by these guidelines and our programs will not be tolerated by the USC Marshall community and can lead to dismissal.

Emergency Preparedness

In case of a declared emergency if travel to campus is not feasible, USC executive leadership will announce an electronic way for instructors to teach students in their residence halls or homes using a combination of Blackboard, teleconferencing, and other technologies.

Please activate your course in Blackboard with access to the course syllabus. Whether or not you use Blackboard regularly, these preparations will be crucial in an emergency. USC's Blackboard learning management system and support information is available at blackboard.usc.edu.

Class Notes Policy

Notes or recordings made by students in this class based on my lectures, on discussion group, or on class discussions may only be made for the purposes of individual or group study, or for other non-commercial purposes that reasonably arise from your membership in this class. Permission to make notes or recordings falls within my discretion as the instructor and as informed by instructional purposes, classroom order, property interests, and other reasonable considerations arising in the academic context. Notes and recordings of this class may not be exchanged or distributed for any commercial purpose, for compensation, or for any purpose other than your personal study, this includes all posted lecture notes, power points and other materials provided. Unless authorized by the University in advance and explicitly and in writing permitted by me, commercial or any non-personal use of class notes or recordings constitutes an unauthorized commercial activity in violation of the Student Conduct Code, and students who violate this policy are subject to University discipline. As the instructor in this course, I retain intellectual property rights in the lecture material pursuant to U.S. copyright law and California Civil Code 980(a)(1). Misuse of course notes or recordings derived from lecture material may also subject you to legal proceedings.