

# PIEGL Program

## **Course Title (2 Credit, 8 sessions): Family Business in Emerging Markets**

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Office hours: 8:30-12:00, Monday

Teaching Assistant: Undetermined.

## **Pre-requisites**

1) Management; 2) Managerial Economics

## **Course Materials (Readings/textbooks)**

Recommended Textbook: Ernesto J. Poza, *Family Business 4e*, Mason, OH: South-Western/Cengage Learning Publishers, 2013.

Other reading materials: Appointed cases, please refer to “Main Contents” below.

All the course materials will be distributed either in hardcopy or in softcopy.

## **Course Description**

A family business is a synthesis of 1) ownership control by members of a family or consortium of families; 2) strategic influence of a family in the management of the firm; 3) concern for family relationships; 4) the dream (possibility) of continuity across generations.

Family business differs in a number of ways from non-family firms. These differences may result in differential behavior by and performance of family firms versus non-family firms.

The course helps students to understand what makes a family business different and explain how a family business emerges and evolves in the economy. Both theories and cases are introduced for further research or practice.

The course will focus on the ownership, control, and management issues arising during family firms' growth and development, including succession, governance, professionalization, family culture, entrepreneurial spirit etc.

Furthermore, this course provides an opportunity and a unique perspective for global students to understand Chinese institutional environment, culture as well as Chinese firms.

## 课程简介（中文版）

家族企业有着如下特点：1) 一个或多个家族的成员控股；2) 家族对企业管理有着战略性影响；3) 注重家族关系；4) 有着基业长青的愿望。因此，家族企业与非家族企业有着许多不同之处，并体现在企业行为和绩效的各方面。

此课程旨在通过介绍家族企业理论和案例，帮助学生了解家族企业的独特之处、家族企业如何在经济发展过程中的源起和发展，从而有助于学生在日后的研究和实践中遇到与家族企业相关问题时有基本的认识。

此课程主要围绕家族企业在发展过程中可能产生的所有权、控制权和管理权问题展开，讨论的主题包括传承、治理、职业化、家族文化、创业精神等。

值得一提的是，此课程为国际学生提供了一个了解中国的契机和独特视角。通过课程学习，国际学生将对中国的制度环境、文化、企业有一个感性、具体的了解。

## Learning Objectives/Measurable learning outcomes

- 1) Gain an understanding and respect for family business continuity.
- 2) Understand the challenges and advantages faced by a family business.
- 3) Learn managerial, governance, and family practices that increase odds of family business success.

## Teaching Approach and Learning

In order to follow and reflect the objectives of this course, we choose lecture approach and case study approach as the major teaching methods. Both would help understand the interaction between theoretical and practical aspect of family business management.

1) Lecture Approach allows you to access to the theories, concepts and framework in the field of family business management.

The lecturers include not only the professor, but also family members of certain Chinese family business, who can also communicate with students in class.

2) Case Study Approach sharpens your analytical and expressive skills by organizing case discussion in class. In this class we will have multiple cases for discussion.

## Class Rule

The textbook and reading materials will be distributed to students in advance. The students should finish reading required reading before the class and prepare for class discussion. It is strongly recommended that students participate actively in class discussion.

All the assignments should be handed in on time.

## Main Contents

### Session 1

Topic	Introduction: Why Family Business Matters?
Readings	Textbook: Chapter 1
Teaching	1. Family business: Working definition & What makes it unique?

points	2. Contribution of family business in economy and society. 3. Family business theory. 4. Comparative advantages of family business. 5. What is a family system?
In-class assignment	Compose project teams.

### Session 2

Topic	Family System: An International Comparison
Readings	Textbook: Chapter 2
Teaching points	1. A systematic framework for analyzing family business 2. Family system theory and genogram 3. Chinese family and Chinese family business 4. The comparison of family systems in the history and in different culture.
In-class assignment	Select a family business as your case for your team.

### Session 3

Topic	How to Lead a Family Business: Succession and Continuity
Readings	Textbook: Chapter 4, 5 Case: 1) Li & Fung Limited (Hong Kong); 2) Steinberg (Canada).
Teaching points	1. The Ultimate change: from generation to generation 2. Succession and continuity 3. CEO exit styles 4. Training the next generation 5. Estate and ownership transfer plan 6. Sibling team and cousin consortium 7. Keys to a successful succession
In-class assignment	1. Analyze the two case families' different arrangements concerning succession. 2. Compare the succession story between the two cases and your team's selected family business.

### Session 4

Topic	Corporate Governance of Family Business
Readings	Textbook: Chapter 8, 10 Case: Formosa (Taiwan);
Teaching points	1. What is unique about family business governance? 2. Board of directors in family business 3. Makeup and recruiting of family business board
In-class assignment	1. Analyze Formosa's corporate governance. 2. Compare the governance story between Formosa and your team's selected family business.

### Session 5

Topic	Family Governance of Family Business
Readings	Textbook: Chapter 7, 11 Case: 1) Fotile (Mainland China); 2) Lee Kun Kee (Hongkong).
Teaching points	1. Family councils and family assembly 2. Dual system of corporate governance and family governance
In-class assignment	1. Analyze LKK's family governance. 2. Prepare for a presentation of governance story in your team's selected case (To be presented in Session 6)

### Session 6

Topic	Family Unity and Entrepreneurial Spirit
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Readings	Textbook: Chapter 3, 13 Case: SC Johnson (USA)
Teaching points	1. Family culture and communication 2. Entrepreneurship and intreprenurship. 3. Planning and policy making 4. Conflict management 5. Organic competencies of family companies
In-class assignment	Prepare for a presentation of family culture and entrepreneurial story in class case or team's selected case (To be presented in Session 7)

### Session 7

Topic	Professional Managers and Professionalism in Family Business
Readings	Textbook: Chapter 9 Case: DuPont (USA)
Teaching points	1. Sustainability of family business and professionalism 2. Comparison of family managers and professional managers 3. Consideration of recruiting professional managers
In-class assignment	Prepare for a presentation of professionalization story in class case or team's selected case (To be presented in Session 8)

### Session 8

Topic	Long-lived Firms and Sustainability of Family Business
Readings	Textbook: Chapter 12 Case: New York Times (USA)
Teaching points	1. Wrapup of previous sessions 2. Long-lived firms and family business 3. Uniqueness and advantages of family business 4. Global opportunity of family business 5. The Future: Can the Family Business Compete and Thrive?
In-class assignment	None

## Assignments Description and Deadlines

The final essay of family business course is an individual homework. You need to select one family business as your object of analysis. The family business can be what we have discussed in the class, the team case, or any other case.

You should focus on one topic to analyze your case, e.g. succession, governance, professionals, operation and management, education.

The essay may include the following parts:

1) relevant background information (If your case has been discussed in the class or one of the group cases, you need not repeat all the background information, family tree, business history etc. Only relevant important information is enough. If your case is a new case we have never mentioned in the class, then you need to describe the background information in detail and draw a family tree.)

2) the story of your topic

3) case analysis

4) lessons learned from the case

The above is a basic structure of the essay, you can add sth in the last part, e.g. comparison of your case and other cases.

Formatting: about 3 pages in doc or pdf, single space, Times New Roman, font size 12

Please send your essay to XXXXXX before XXXX.

## **Student Evaluation**

Final grades will be evaluated as follows:

1. Final Essay 50 %
2. Presentation & Report 30 %
3. Class participation & Attendance 20 %