NOTE: There are required readings for the first class on August 24th.
Family Business

OTMT 630

Day/Time: Mondays, 8:00 am – 12:00 pm Session A
Location: Malibu
Professor: Dr. Kent Rhodes
Office Hours: By appointment
Office: 949-223-2554
Fax: 949-223-2575
E-mail: kent.rhodes@pepperdine.edu

Introduction

Family businesses are the most prevalent form of organization in the world today. In the United States, they account for approximately half the GDP. As many as 90% of all businesses are family owned or controlled and more than 130 Fortune 500 companies fall into this category. About 40% of the largest publicly traded family businesses are still being directed by their founding families. Given the dominance of the family business model in today’s global economy it is important that all managers understand the unique culture, values and perspective that family ownership brings to business relationships, partnerships and strategic alliances.

For the purpose of this course, family business will be defined as businesses owned or significantly influenced by a single family or lineage. Family businesses have many unique characteristics and challenges. These issues are technical and psychological. High on this list is that both family and business needs must be carefully balanced. Leadership roles and ownership models often must be adjusted to meet the needs of succeeding generations. In addition, there are multiple legal, tax and regulatory issues that must be faced. Many argue that it is because of such issues that fewer than 30% survive into the second generation and less than 10% survive into the third generation of family control.

Purposes of the Course

- To help students improve their understanding and effectiveness as managers in family firms.
- To help students improve their awareness of opportunities in family owned businesses as future owners, family members, managers or non-family executives.
- To help students explore the unique challenges and strengths of family owned businesses.
- To help students learn to analyze managerial/ownership problems and implement solutions in family and business relationships.
Methodology

Class participation will be the primary method of instruction incorporating individual and group presentations, face-to-face class discussions and classes held online in Sakai. While some material will be presented in lectures, the primary focus will be on material prepared by students for class discussion. Emphasis will be placed upon learning ways to think about family business issues and developing a portfolio of approaches to family business policies and procedures. **Students will develop a project related to their family business and family.**

Text and Course Materials

**Required:**

**Please directly purchase the ebook here NOT SOLD IN BOOKSTORE:**
- Journal Articles, Bibliographies and other materials as assigned during the course.

Grading

The major components of the final course grade will be:
- Class Participation - face-to-face and online (33.33% of grade)
- Individual Journal Article Presentation – Locate a journal article in the Library databases, Business Source Premier or Emerald that directly addresses a family business issue or best practice. Write an executive summary of 2 pages about the article. All summaries are due by class time on September 8. Each student will provide a brief oral presentation of the article as assigned during class sessions 3-6 (about 5 per week). Articles to be chosen and approved Aug 25th.
- Final Project – Student-developed Executive Summary of their family’s business (33.33% of grade) due Week 7 (October 6). Grading criteria based largely on applying key components of the Parallel Planning in a well-written, clearly organized (with sub-headings) and supported paper (references) / presentation.

A Note About Participation: Class participation is the center of the instructional methodology for this graduate seminar course, therefore, attendance and engagement in each class is critical for face-to-face and online class meetings. Both the quality and quantity of contributions in every class will be considered in grading as well as the attention given to classmates’ presentations. **Therefore, it is expected that students will fully engage in each class meeting, prepared and ready to apply and integrate the concepts and content of readings and other assignments in their discussions while refraining from texting, tweeting, or any other web-based activity.** Class presentations and a written case project will be required for each student.
**Individual Journal Article Presentation**

Each student will select, read and present a brief 5-10-minute executive summary report about family businesses found in either the Business Source Premier or Emerald databases within the Pepperdine library system.

**Final Project**

Each student will write an Executive Summary of no more than 10 pages about a well known and documented family business by aggregating information located in journals, newspapers, case studies and web-based resources. The goal of each project will be to provide a consulting report or case study that addresses the current and future needs of the family & business from a parallel planning process perspective. More specifically, the deliverable for each student will be an executive summary “Family Enterprise Plan” and “Business Strategy Plan” for the family business presented as outlined in the course text, *Strategic Planning for the Family Business*. Written reports will be no more than 10 double spaced pages in length, excluding references. Presentations will be no more than 8-10 minutes in length.

**Attendance Policy**

Class attendance – face-to-face and online is critical to the learning process of this course. Missing one entire class or being late to engaging in online class discussions will adversely impact the final grade. Anyone who must miss any part of a class should notify the instructor in advance.

**UNIVERSITY AND GRAZIADIO SCHOOL POLICIES:**

**Conduct**

The University expects from all of its students and employees the highest standard of moral and ethical behavior in harmony with its Christian philosophy and purposes. Engaging in or promoting conduct or lifestyles inconsistent with traditional Christian values is not acceptable.

The following regulations apply to any person, graduate or undergraduate, who is enrolled as a Pepperdine University student. These rules are not to be interpreted as all-inclusive as to situations in which discipline will be invoked. They are illustrative, and the University reserves the right to take disciplinary action in appropriate circumstances not set out in this catalog. It is understood that each student who enrolls at Pepperdine University will assume the responsibilities involved by adhering to the regulations of the University. Students are expected to respect order, morality, personal honor, and the rights and property of others at all times. Examples of improper conduct for which students are subject to discipline are as follows:

- Dishonesty in any form, including plagiarism, illegal copying of software, and knowingly furnishing false information to the University.
- Forgery, alteration, or misuse of University documents, records, or identification.
- Failure to comply with written or verbal directives of duly authorized University
officials who are acting in the performance of assigned duties.

- Interference with the academic or administrative process of the University or any of the approved activities.
- Otherwise unprotected behavior that disrupts the classroom environment.
- Theft or damage to property.
- Violation of civil or criminal codes of local, state, or federal governments.
- Unauthorized use of or entry into University facilities.
- Violation of any stated policies or regulations governing student relationships to the University.

Disciplinary action may involve, but is not limited to, one or a combination of the alternatives listed below:

- **Dismissal** – separation of the student from the University on a permanent basis.
- **Suspension** – separation of the student from the University for a specified length of time.
- **Probation** – status of the student indicating that the relationship with the University is tenuous and that the student’s records will be reviewed periodically to determine suitability to remain enrolled. Specific limitations to and restrictions of the student’s privileges may accompany probation.”

**Policy on Disabilities**

**Assistance for Students with Disabilities**

The Disability Services Office (DSO) offers a variety of services and accommodations to students with disabilities based on appropriate documentation, nature of disability, and academic need. In order to initiate services, students should meet with the Director of the DSO at the beginning of the semester to discuss reasonable accommodation. If a student does not request accommodation or provide documentation, the faculty member is under no obligation to provide accommodations. You may contact the Director of Disability Services at (310) 506-6500. For further information, visit the DSO Web site at: http://www.pepperdine.edu/disabilityservices/.

**OTMT 630**

**Family Business**

**Class Schedule and Assignments**

(subject to updates)

**ALL REQUIRED ARTICLES CAN BE FOUND IN RESOURCES IN SAKAI**

**Session 1 – Course Introduction**

- **Topic**: Understanding Family Business Planning & The Parallel Planning Process
- **Required Readings**:
  - C&W Chapters 1, 2
- **Case**: Provided in class
- **Syllabus Review**

**Session 2 - Guest Speaker Dr. JoAnne Norton**

Dr. Norton will be presenting a famous case of a 5th generation family business in Southern California. **Students will actively participate in discussion of the case.**

- **Topic**: Family and Organizational Conflict: Impacts on Strategy for Family and Business
- **Required Readings (no Carlock-Ward text assignment):**

• **Case:** Freedom Inc. Case (Sakai course under “Resources”)

**Session 3 - Class Meets Online in Sakai due to Labor Day Holiday**

• **Topic:** Preparing the Next Generation of Family Managers, Leaders, and Owners

• **Required Readings:**
  o C&W Chapters 5, 6, 10

• **Case:** TBA from *Family Firms: Case Studies on the Management of Growth, Decline, and Transition*.

**Session 4**

• **Topic:** Assessing the Firm’s Strategic Potential and Alternatives

• **Required Readings:**
  o C&W Chapters 7, 8

• **Case:** TBA from *Family Firms: Case Studies on the Management of Growth, Decline, and Transition*.

• Article Reports

**Session 5**

• **Topic:** Securing Family Commitment & Encouraging Family Participation

• **Required Readings:**
  o C&W Chapters 3, 4
  o E. H. Schein, “The Role of the Founder in Creating Organizational Culture”, *Organizational Dynamics*, (Summer, 1983).
  o Technical Note- J. Ward, “Ten Secrets of Successful Business Families” Kellogg School of Management

• **Case:** TBA

• Article Reports

**Session 6**

• **Topic:** Selecting a Strategy

• **Required Readings:**
  o C&W Chapter 9

• **Case:** TBA

• Article Reports

**October 6: Session 7**

• Final Project Presentations

• Course Evaluations