

COURSE OUTLINE BSP3513

Family Firms

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Course Description

Family firms are the dominant form of business organization everywhere around the world. As such, family firms play an important role in all economies, but especially so in Asian economies, where large family firms often constitute a large part of the private sector. Large Asian family firms - the focus of this course - are often organized into corporate groups, and this type of economic organization has lost its attractiveness in many other parts of the developed world, but continues to be important in most emerging economies. In many ways, the Asian family firm defies the wisdom of strategic management. Its demise continues to be predicted, but does not appear imminent. This course provides students the opportunity to develop deep skills and understanding of the strategy and governance of family firms, and focuses in particular on strategic issues faced by family firms in Asia. Topics include characteristics, strengths and weaknesses of family ownership and management, succession of ownership and leadership, governance of family businesses, and how to grow and sustain the legacy of family business. The knowledge obtained from this course is particularly essential to doing business intelligently with family firms not only in Asia and other emerging economies but also in developed countries.

Course Objectives

The objective of this course is not to offer best practices and models, but rather to increase understanding relevant issues for family businesses in Asia as they develop from an entrepreneurial venture to a cross-generational family firm. Given that the mere persistence of Asian family group business models is already subject to heated debate in popular and academic articles, the focus will be on understanding the arguments from different sides, deepening understanding of the issues, and expanding students' thinking with regard to possible strategies for family firms in the long term. Provocative articles representing a variety of views will be discussed. More concretely, in this course, there will be three objectives:

- *Knowledge.* To encourage the understanding of the main issues involved; the controversies; the strategies and governance of Asian family firms.
- *Skills.* To develop the student's ability to define strategic issues, to critically reflect on existing theories, to creatively combine or develop models where necessary and to flexibly apply theories to real-life cases where useful;
- *Asia-focus.* Through cases, in-class examples and guest speakers, this course attempts to focus specifically on Asian family businesses. The knowledge, however, can be applied to family firms elsewhere as well.

Target audience

This course is open to students from all faculties in NUS, and for exchange students interested in Asian family firms. For students who plan to pursue their family's business, this course will be particularly relevant as it will provide the knowledge to run and sustain family business for generations. For other students, the course will provide an understanding of the dynamics of family firms and will be useful because no matter which career you pursue, you will be most likely work with family firms either as your employers, clients, suppliers, or partners.

Course Format

The format of the course is based on a mixture of cases, theory and guest speakers. Classes will be used for discussion, guest speakers, and for case discussion.

Case discussion: I generally apply a 3-stage approach to learning with cases: 1. students prepare the case at home; 2. in class students discuss their analysis in a small group; 3. there is a plenary class discussion. Debating with others in small and larger groups will sharpen someone's analytical skills considerably and will help students to communicate their ideas clearly.

Readings: Students should come prepared by reading the articles and case in advance. Active participation is a condition for the success of the course. The quality of student preparation and class input will be reflected in the class participation grade.

Guest speakers: Much effort has been put into securing high-level guest speakers for this course. Several guest speakers are CEOs of large family firms, and students are expected to be ambassadors of NUS Business School by showcasing their qualities and professional skills. High level guest speakers' schedules may change and this may imply last-minute changes in this course. Your understanding is highly appreciated.

Questions and feedback: If you have any questions on the topics discussed in the course, regarding your individual performance, or if you have feedback to improve the classes, please feel free to contact me any time through e-mail or phone.

Course format

The course is worth 4MC and will be offered in 13 sessions. Note that the sequence of the topics may change depending on the availability of relevant guest speakers. A detailed planning per session with readings, case questions, and guest speakers will be available on IVLE before the beginning of the course. Some of the topics covered are:

- Prevalence and uniqueness of family firms
- Family feuds and other roadblocks for family business
- Succession of leadership and ownership across generations
- Family firm growth, diversification and internationalization
- Professionalization and outside management
- Governance structures for family firms
- The role of family firms in Asia's economic development

Grading and Assignments

The final grade for this course will be computed based on the following:

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| Class Participation | 30% |
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| Mid-term test | 20% |
| Group Essay & Presentation | 30% |
| Final individual test(in-class) | 20% |

- Class participation will be based on the quality and quantity of participation, but the quality is more important. However, absence from class sessions or not speaking up will result in a lower participation score.
- Students will be required to analyze a family firm's strategy of their choice in teams. Details on the group project requirements and presentation will be made available on IVLE.
- There will be two tests which will require students to apply their knowledge on Asian family business to a practical situation (e.g. case). This requires no memorization and is therefore open book. The tests should preferably be submitted electronically by IVLE (i.e. a laptop is required).

Literature

This course strives to be “paper-less”. Teaching materials (readings, cases, slides) are available on IVLE (where possible), and students are required to upload assignments and exams through IVLE. Note: due to copyright issues, some articles on IVLE placed in the folder “e-reserves” may only be downloaded **once**.