COURSE DESCRIPTION

This course explores the business, personal and family issues found in family owned and operated companies. The managerial, strategic and behavioral complexities in these environments will be analyzed.

COURSE THEMES

The course focuses on these principal themes:

- How are family businesses distinct from other firms?
- What is the lifecycle of the family business?
- What are the unique managerial challenges of family-owned businesses and how can they be successfully resolved?

COURSE METHODS

Each class will include discussion of readings and cases. Students will analyze cases with an action orientation, for example, what steps should we take in order to enhance the performance of the firm?
**Classroom Contributions.** The learning experience in a course like this one depends heavily on each student being prepared to actively participate in every class session. We all have expectations that will enrich the topic and direction of discussion in the course. This means that you need to be fully acquainted with the readings and cases for a given session. Positive participation includes attendance, active involvement in all in-class exercises and discussions, and maintenance of a classroom demeanor that encourages the participation of others. You will be evaluated on the quantity as well as the *quality* of your contribution and insights. Quality comments possess one or more of the following attributes: (a) Contribute to moving the discussion forward; (b) Offer a different, unique and relevant perspective on the issue; (c) Build on other comments of others; and (d) Include some evidence or analysis of inherent tradeoffs, i.e., demonstrate reflective thinking.

**Attendance Policy.** Attendance at all sessions is expected. Absences will significantly impact the class participation grade.

**Laptop Policy.** Laptops, cell phones and other electronic devices may not be used during class.

**Written case analyses.** Students will be required to prepare two written case-related analyses of “Sam Steinberg (A)” and “The Harilela Enterprises”. These assignments are due by 9 AM on March 19 and April 30. They should be a maximum of 5 and 7 pages respectively, excluding exhibits. The case analysis papers consist of in-depth written analysis and application of techniques and methods to a company’s growth challenges and opportunities. The papers should address the questions assigned in the syllabus for the discussion day for each of the aforementioned cases. The case assignments will be graded for content and format. You are required to turn in papers that conform to professional standards of organization, grammar, punctuation, spelling, and paragraph/sentence structure. You may not discuss the case or share your work with anyone. Late papers will receive a grade of F.

Late papers will receive a grade of F. Emails without attached papers or with attachments that are unreadable by Microsoft Word will be considered to have not been submitted and will also receive an F. An F will be quantified as a zero in the calculation of course grades. No extensions to deadlines will be granted.

**Honor Code.** Students must adhere to the MBA Honor Code. All students are obligated to report to the instructor any suspected violations of the Code (see [http://w4.stern.nyu.edu/scorp/committee.cfm?doc_id=4797](http://w4.stern.nyu.edu/scorp/committee.cfm?doc_id=4797)).

**Student With Disabilities.** If you have a qualified disability and will require academic accommodation during this course, please contact the Moses Center for Students with Disabilities (CSD, 998-4980) and provide me with a letter from them verifying your registration and outlining the accommodations they recommend. If you will need to take an exam at the CSD, you must submit a completed Exam Accommodations Form to them at least one week prior to the scheduled exam time to be guaranteed accommodation.

**Delivery.** Reports should be sent by email to each of the following two addresses: gokun@stern.nyu.edu and gokun1@mac.com. Students must send two separate emails (not one in which the other address receives a copy upon delivery). Do not compress files. Please only use Word and Excel programs to produce and present your work.
**Required Materials.**


Case Packet

**Grading Plan.** The course grade will be based on the following components and weights:

- Classroom Contributions: 20%
- Case Report 1: 30%
- Case Report 2: 50%
Instructor

Glenn A. Okun is Clinical Professor of Management and Entrepreneurship at New York University Stern School of Business where he teaches courses in entrepreneurship, private equity, venture capital, investment management and corporate finance. Mr. Okun advises corporations on financial and investment matters. He was President of Mitchum, Jones & Templeton, a merchant bank and broker dealer headquartered in San Francisco, California from 1998 to 2001. He previously served as a Director of Allen & Company Incorporated in New York. Mr. Okun invested in early and later stage financings of private companies in various industries. He also ran a small cap emerging growth stock hedge fund and a special situations portfolio. Mr. Okun has advised corporate clients on mergers, acquisitions and restructurings and has underwritten public offerings and private placements of securities. Mr. Okun began his investment career at the IBM Retirement Fund where he invested in mezzanine private placements, real estate, public emerging growth equities and oil and gas assets. Mr. Okun holds JD and MBA degrees from the joint degree program of Harvard University and a BA degree from Wesleyan University.
## SCHEDULE

<table>
<thead>
<tr>
<th>Date</th>
<th>Topic</th>
<th>Case</th>
<th>Reading</th>
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<tr>
<td><strong>February 10</strong></td>
<td>Family Business Dynamics</td>
<td>“Anderson Steel Service”</td>
<td><em>Text, Chapters 1-2</em></td>
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<td>“Trinity Crystal”</td>
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<td><strong>February 17</strong></td>
<td>Family Business Strengths &amp; Weaknesses: Professionalism and Nepotism</td>
<td>“Khalil Abdo Group”</td>
<td><em>Text, Chapter 3</em></td>
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<td>“Matthew Hunter”</td>
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<td><strong>February 24</strong></td>
<td>Family Diversity</td>
<td>“J. Perez Foods (A)”</td>
<td><em>Text, Chapter 4</em></td>
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<td>“Bentington Industries”</td>
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<td><strong>March 3</strong></td>
<td>Governance of the Family Business</td>
<td>“Stevenson Industries (A)”</td>
<td><em>Text, Chapters 10-11</em></td>
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<td><strong>March 10</strong></td>
<td>Managing the Board</td>
<td>“Hancock Land Company &amp; Hancock Lumber Company”</td>
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<td><strong>March 24</strong></td>
<td>Midterm</td>
<td>“Sam Steinberg (A &amp; B Condensed)”</td>
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March 31  The Family Business & Career
Case: “Atherton Clothing Company (A)”
Reading: Text, Chapter 5

April 7  Intergenerational Issues at Work
Case: “The Pellegrins (A)”
Reading: Text, Chapter 6

April 14  Succession Planning
Case: “Precista Tools AG (A)”
Reading: Text, Chapter 7-8

April 21  The Non-Family Member Manager
Case: “The Cross Country Group”
“Donald Salter Communications”
Reading: Text, Chapter 9

April 28  Harvesting the Family Business
Case: “Spyder Active Sports-2004”
“Ayala Corporation”

May 5  Transferring the Wealth
Case: “Ottawa Devices (A)”

Family Business Excellence
Reading: Text, Chapter 12
Questions for Sam Steinberg (A & B Condensed):

- Why has Steinberg’s been successful? Why was Sam able to create this success?
- What role has the family played in the success of Steinberg’s? How has the family hindered the development of the firm?
- What made the transition from Ida to Sam successful?
- What issues are raised by the succession question at Steinberg’s?
- What criteria should Sam use in selecting a successor? If Sam picks Mel, how should he articulate the choice to the non-family managers?

Questions for The Harilela Enterprises:

- What are the general characteristics of family businesses in Asia? How is Harilela similar to and different from this norm?
- What are the advantages and disadvantages of Harilela remaining a private firm?
- How is the firm’s HR strategy different from a multinational nonfamily business?
- How should Harilela create its next succession?
- If Aron assumes leadership, what challenges might he face? What advice would you give him?