

Take the global view of keeping it all in the family

Business is more complex when relatives are involved, says **Steve Coomber**

There is a tendency to think of family firms as the corner shops, local builders and ubiquitous “& Sons” of the economy.

Yet, while many family businesses are small to medium sized enterprises (SMEs), they also include some of the world’s largest companies and best known brands such as Wal-Mart, BMW, Mars and Ikea. The family factor adds greater complexity to the management challenge — a challenge explored in some detail on a number of MBA programmes.

“It is the family element, the intertwining of family values, objectives and motivations with the business, that brings issues family businesses have to cope with that other businesses do not,” says Carole Howorth, professor of Entrepreneurship and Family Business and director of the Centre for Family

Business at Lancaster University Management School.

Family enterprises are often SMEs and may not have the training and development resources from which larger organisations benefit from. So an MBA is one way for family business members, or individuals heading for the family business, to brush up on their business and management know-how and skills. But some business schools provide a closer look at the family enterprise than others.

“Nearly all conventional MBAs focus on the modern corporation as the model of best practice: they ignore the family business dimen-

sion,” says Professor Peter Rosa, the George David Chair of Entrepreneurship and Family Business at the University of Edinburgh Business School.

“There should be some element of a modern MBA that specialises in how to manage ‘the family’ as well as ‘the business.’”

Several schools, including that at Edinburgh, do have research centres dedicated to the study of family enterprise. This research usually filters through to the MBA student. At Lancaster, for example, students can study in small groups with an expert faculty member and focus on specific issues affecting their business.

At London Business School, which runs a family business research initiative, programme participants can take a family business elective.

Asa Björnberg, a researcher in family business at London Business School, says: “It is discussion and case-based learning, plus we have speakers come in to talk about their experiences of family businesses. It is important for the participants to be exposed to other young members of family firms, to feel that they are not alone. Hot topics on the elective in-



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network to succeed

clude succession and how best to communicate with senior family members.”

Globalisation is another important subject for many family businesses. Zeynep Yildirim is studying an Executive MBA at the London campus of the University of Chicago Booth School of Business. Her family owns a large shopping mall in Turkey.

“Thirty years ago when my father and his business partner started, the

competition was only local,” she says. “Now with globalisation I need much broader skills and a large global network to maintain success. If your only experience is your family business your perspectives can become limited. An MBA extends your horizons.”

For family business members to get the most from the MBA experience, it is important to understand which matters are the most pressing for the

firm. Hertzog Badenhorst, a full-time MBA student at the Rotterdam School of Management, Erasmus University, works in the family business, Clotan Steel in South Africa. After joining the firm, Badenhorst realised the company was growing quickly and would have to change to move to the next level.

“Although I have many ideas about what needs to change, I want to back this up with some formal knowledge,

so taking an MBA was the obvious

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choice," Badenhorst says. "But it is critically important, if you want to take back new knowledge and skills to your family business, that you have a good grasp of what the current challenges facing the company are. This adds so much more value to the MBA experience."

NICK RAY FOR THE TIMES



Students can learn much from big family businesses such as Ikea

