

BASIC BUSINESS SKILLS COURSE FOR ADS OWNERS

Trainer's Guide

Module 3: Running a Family Business



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MODULE 3: RUNNING A FAMILY BUSINESS

Learning Objectives

As a result of actively participating in this module, the individual will be able to:

1. Name at least two challenges a family business is likely to face.
2. For each challenge, state one way to deal with it.
3. State at least two reasons why succession planning is important to the success of family businesses.
4. Name at least two critical success factors for a family business.

SESSION ONE: CHALLENGES IN RUNNING A FAMILY BUSINESS

LEARNING OBJECTIVES:	As a result of actively participating in this session, the individual will be able to:	
	<ol style="list-style-type: none"> 1. Name at least two challenges a family business is likely to face. 2. For each challenge, state one way to deal with it. 	
DURATION:	10 min.	
METHODOLOGY:	Discussion, Q&A	
MATERIALS:	For all participants:	For the trainer:
	<ul style="list-style-type: none"> • Pen and pencil • Notebook • Name tags • None 	<ul style="list-style-type: none"> • Flip chart/black board • Name tag • PowerPoint slides
PREPARE IN ADVANCE:		

Introduction to Family Business (10 min.)

SHOW	slides 1 and 2
INVITE	participants to take turns reading each slide.
ASK	What makes a business a family business?

LISTEN	to the participants' responses.
ENSURE	that the following points emerge: <ul style="list-style-type: none"> • It aims to support a group of family members. • At least one family member is involved in running the business.
SHOW	slide 3
INVITE	participants to take turns reading the slide.
ASK	What are some family businesses that you know of, here in our country or around the world?
LISTEN	to the participants' responses.
SHOW	slide 4
INVITE	participants to take turns reading the slide out loud.

Family Business Challenges (30 min.)

EXPLAIN	that all businesses face challenges, but there are some challenges that are especially troublesome for family businesses.
ASK	What are some challenges that family businesses face, because they are family businesses?
LISTEN	to the participants' responses.
SHOW	slide 5
INVITE	participants to take turns reading the slide out loud.
ASK	Why can it be a challenge to meet family member expectations of the family business?
LISTEN	to the participants' responses. Some responses may include the following points: <ul style="list-style-type: none"> • The ones who run the business want to make profits and use those profits to grow the business more. • The family members who do not run the business may want to benefit directly from the profits, as in new clothes, furniture, car, etc.

ASK	What does it mean to balance contributions and expectations?
LISTEN	<p>to the participants' responses.</p> <p>Their responses are likely to include the points already on the slide:</p> <ul style="list-style-type: none"> • Family members who contribute (directly or indirectly) to the business should expect to benefit. • Those who do not contribute should not expect to benefit.
ASK	What is the difference between "contributing directly" to the business and "contributing indirectly" to the business?
LISTEN	to the participants' responses.
ENSURE	<p>that the following points emerge:</p> <ul style="list-style-type: none"> • Contributing <i>directly</i> means that the person works for the business in some capacity. • Contributing <i>indirectly</i> means that the person may provide other kinds of support to those who do work for the business, e.g., providing meals, doing housework, taking care of the children, etc.
ASK	participants to open their ADS Business Manual to page 4, where they will find a table of some of the challenges that family businesses face, as well as some ways to deal with them.
INVITE	participants to take turns reading the table out loud.
ASK	participants what they think about the proposed ways to deal with the problems listed in the table.
LISTEN	to their responses.

SESSION TWO: SUCCESSION PLANNING IN FAMILY BUSINESS

LEARNING OBJECTIVES:	As a result of actively participating in this session, the individual will be able to:	
	1. State at least two reasons why succession planning is important to the success of family businesses.	
DURATION:	30 min.	
METHODOLOGY:	Discussion, Q&A	
MATERIALS:	For all participants:	For the trainer:
	<ul style="list-style-type: none"> • Pen and pencil • Notebook • Name tags • None 	<ul style="list-style-type: none"> • Flip chart/black board • Name tag • PowerPoint Slides
PREPARE IN ADVANCE:		

Succession Planning (30 min.)

ASK	What do we mean by “succession planning”?
LISTEN	to the participants’ responses.
SHOW	slide 6
INVITE	A participant to read the first bullet of the slide out loud.
EXPLAIN	that you have listed three key words from the definition down below.
ASK	What does it mean to <i>identify</i> and <i>develop</i> people who have <i>potential</i> ?
LISTEN	to the participants’ responses.
ENSURE	that the following points emerge: <ul style="list-style-type: none"> • You identify potential by observing: <ul style="list-style-type: none"> ○ How people work ○ How they interact with others ○ Whether they help others or only themselves ○ Whether they put the needs of the business first • You develop potential by: <ul style="list-style-type: none"> ○ Providing guidance and support

	<ul style="list-style-type: none"> o Providing opportunities to contribute to the business o Rewarding good work o Expecting the best • Leadership is <ul style="list-style-type: none"> o Modelling what you expect from others o Identifying and developing potential o Bringing out the best in others o Working for the success of all
EXPLAIN	that involving the next generation in the family business represents a valuable investment in building your competitive advantage.

SESSION THREE: CRITICAL SUCCESS FACTORS IN FAMILY BUSINESS

LEARNING OBJECTIVES:	As a result of actively participating in this session, the individual will be able to:	
	1. Name at least two critical success factors for a family business.	
DURATION:	20 min.	
METHODOLOGY:	Discussion, Q&A	
MATERIALS:	For all participants:	For the trainer:
	<ul style="list-style-type: none"> • Pen and pencil • Notebook • Name tags • None 	<ul style="list-style-type: none"> • Flip chart/black board • Name tag • PowerPoint slides
PREPARE IN ADVANCE:		

Critical Success Factors (20 min.)

ASK	participants to name factors that are important to the success of a family business.
WRITE	the participants' responses on flipchart paper.
REVIEW	the list with them when they have no more factors to add.
SHOW	slide 8
INVITE	participants to identify any factors that are on the screen but not on their list.

ADD	those new factors to the participants' list on flipchart paper.
EXPLAIN	that participants can also find the list that is on the screen in their ADS Business Manual on page 7, and they should feel free to add factors from their own list (the flipchart paper) to the list in their Manual.
REMIND	participants that the ADS Business Manual is meant to be a resource for them over time, as they build and expand their businesses, and they should feel free to write in them.

Wrap-up

SHOW	slide 2
ASK	participants to turn to the person next to them and form pairs.
EXPLAIN	<p>that the members of each pair should take turns doing each of the actions described in the learning objectives.</p> <ul style="list-style-type: none"> • They may organize the exercise as they wish, taking turns to address each objective, having one person address all four objectives and then the other do the same, or a mixture of the two. • Each one, however, should address all four objectives.
TELL	them they have 5 minutes and to begin now.
CIRCULATE	to observe and listen.
CALL	them back together when the 5 minutes are up.
THANK	participants for their work.