

# Tutorial Letter 101/3/2018

## Family Business Management MNE3704

Semesters 1 and 2

Department of Entrepreneurship, Supply  
Chain, Transport, Tourism and Logistics  
Management

### IMPORTANT INFORMATION

Please register on myUnisa, activate your myLife e-mail address, and make sure that you have regular access to the myUnisa module website (MNE3704-2018-S1/S2) and the group website.

**Note:** This is an online module and therefore the study material is available on myUnisa. However, to support you in your learning process, you will receive some study material in printed format.

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Dear Student

## **1 INTRODUCTION**

We have pleasure in welcoming you to this module on Family Business Management and trust that you will find it a rewarding and interesting area of study.

Family business management is becoming increasingly important in South Africa as well as in the international community, as more families seek to become independent and self-sufficient. Although Family Business Management is not a new subject, it has become more relevant as the process of business transformation continues in the South African marketplace. In this module, we focus on the factors that enable a family business to remain successful.

We shall do our best to make your study of this module successful. You will be well on your way to success if you start to study early in the semester and resolve to do the assignments properly.

You will receive a number of tutorial letters during the semester. A tutorial letter is our way of communicating with you about teaching, learning and assessment.

Tutorial Letter 101 contains important information about the scheme of work, resources and assignments for this module. We urge you to read it carefully and to keep it at hand when you work through the study material, do the assignments, prepare for the examination and ask your lecturers questions.

You will find the assignments and assessment criteria as well as instructions on the preparation and submission of the assignments in Tutorial Letter 101. This tutorial letter also contains all the information you need about the prescribed book and other resources, and how to obtain it. Please study this information carefully and make sure that you obtain the prescribed book as soon as possible. We also included general and administrative information about this module. Please study this section of the tutorial letter carefully.

Right from the start, we have to point out that you must read all the tutorial letters you receive during the semester immediately and carefully, as they will always contain important and sometimes urgent information.

Because this is a fully online module, you have to use myUnisa to study and complete the learning activities for this module. You should visit the websites for MNE3704 on myUnisa frequently. The website for your module is MNE3704-18-S1 or MNE3704-18-S2 depending on the semester for which you are registered.

## 1.1 Getting started

Owing to the nature of this module, you can read about the module and find your study material online. Go to the website at <https://my.unisa.ac.za> and log in using your student number and password. You will see MNE3704-18-S1/S2 in the row of modules displayed in the orange blocks at the top of the webpage. Select the **More** tab if you cannot find the module in the orange blocks. Then click on the module that you want to open.

You will receive this tutorial letter and a printed copy of the online study material for the module. While the printed material may seem different from the online study material, it is the same as it has been copied from the myUnisa website.

## 2 OVERVIEW OF MNE3704

### 2.1 Purpose

The purpose of this module is to empower you with the competencies (knowledge, skills, values and attitudes) necessary to optimally use your family-owned or family-controlled business for economic wealth and growth. You will investigate the uniqueness of the relationship between the family and its business. You will discover the competencies necessary for sound managerial, governance and family practices. Your newly acquired competencies should increase the likelihood that your family-owned or family-controlled business will continue from generation to generation and contribute to job creation, personal fulfilment and economic wealth.

The module is delivered via myUnisa on the internet and will involve peer group interaction and community engagement in some of the activities. Your lecturers will interact with you on myUnisa and by e-mail.

## 2.2 Outcomes

This module follows the outcomes-based approach to education and training. You will therefore find a number of learning outcomes at the beginning of each topic. These learning outcomes will guide you through the study material and inform you of what you are expected to demonstrate during the assessment process (that is, in the assignments and examination).

A number of specific outcomes (SOs) will be covered. You will be able to

- SO1: Distinguish characteristics that differentiate a family-owned or family-controlled business from a management-controlled business, as well as distinguish the unique challenges faced and advantages enjoyed by a family-owned or family-controlled business.
- SO2: Differentiate between the five perspectives on family businesses.
- SO3: Analyse great family businesses to learn from them.
- SO4: Analyse the critical leadership tasks for both generations involved in succession and continuity efforts (that is, the next-generation leaders and the current CEO and his/her spouse) and apply it to cases.
- SO5: Evaluate the family, management and governance practices that protect family businesses from the unique hazards they face and provide for the deployment of their unique sources of competitive advantage.
- SO6: Critique the factors that impact the future of family businesses and generate solutions.

## 3 CONTACT DETAILS

### 3.1 Lecturer(s)

#### LECTURER AVAILABILITY

The lecturer for this module will be available to take phone calls on academic matters and/or to attend to students who may prefer to visit personally for academic engagement. However, the days and times of lecturer's availability will be communicated in the module page on myUnisa. These days and times are subject to change from time to time in order to accommodate the lecturer's work schedule and other commitments. The changes on the days and times will be communicated by the lecturer in advance through the announcement option on myUnisa as and

when this happen. Students are advised to check the module page on myUnisa before making phone calls or visiting the lecturer's office for academic enquiries/engagements.

The e-mail address of the primary lecturer for this module for 2018 is:

Primary lecturer	E-mail address
Mrs MS Radebe	<a href="mailto:radebes@unisa.ac.za">radebes@unisa.ac.za</a>

The e-mail address of the secondary lecturer for this module is:

Secondary lecturer	E-mail address
Prof NS Radipere	<a href="mailto:radipns@unisa.ac.za">radipns@unisa.ac.za</a>

The e-mail of the entrepreneurship section head is:

Entrepreneurship section head	E-mail address
Ms NM Mmako	<a href="mailto:mmakonm@unisa.ac.za">mmakonm@unisa.ac.za</a>

All queries **about the content of this module** – and not administrative queries – should be directed to the **primary lecturer**. Please have your study material with you when you contact the lecturer and always include your student number. This will help the lecturers to assist you.

### 3.2 Department

The e-mail address of the department's helpdesk is:

<b>Department of Entrepreneurship, Supply Chain Management, Transport Economics, Tourism and Logistics Management</b>	<b>E-mail address</b>
Helpdesk	<a href="mailto:DESTTL@unisa.ac.za">DESTTL@unisa.ac.za</a>

### 3.3 University

To contact the university, follow the instructions in the **Studies @ Unisa Brochure**. Remember to have your student number available when you contact the university.

<b>Unisa website</b>	<a href="http://www.unisa.ac.za">http://www.unisa.ac.za</a> and <a href="http://mobi.unisa.ac.za">http://mobi.unisa.ac.za</a> All study-related information is now available on the new Unisa corporate website in both web and mobi formats.
<b>myUnisa</b>	<a href="https://my.unisa.ac.za/portal">https://my.unisa.ac.za/portal</a> and <a href="https://my.unisa.ac.za/portal/pda">https://my.unisa.ac.za/portal/pda</a> Students can access their own information on the myUnisa website or mobi site.
<b>E-mail</b>	<a href="mailto:info@unisa.ac.za">info@unisa.ac.za</a> Students may send an e-mail to <a href="mailto:info@unisa.ac.za">info@unisa.ac.za</a> for information on how to contact Unisa by e-mail.
<b>SMS</b>	<b>32695</b> – only for students in South Africa Students may send an SMS to 32695 for more information on how to contact Unisa by SMS. The sender will receive an auto response SMS with the various SMS options. The cost to the student per SMS is R1,00.
<b>Fax</b>	<b>012 429 4150</b> Students can fax their enquiries to this number, whereafter it will be distributed to and processed by the relevant department.
<b>Physical address</b>	University of South Africa Preller Street Muckleneuk Pretoria
<b>Postal address</b>	University of South Africa PO Box 392 UNISA 0003

<b>Assignments</b>	<b>Short SMS code: 43584</b> <b>E-mail address: <a href="mailto:Assign@unisa.ac.za">Assign@unisa.ac.za</a></b> Students may send an SMS or e-mail to either of these contacts to enquire about assignments (for example whether or not the university has received your assignment or the date on which an assignment was returned to you). Assignment enquiries must <b>not</b> be addressed to the lecturer but the university.
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## 4 RESOURCES

### 4.1 Joining myUnisa

If you have access to a computer that is linked to the internet, you can quickly access resources and information at the university. The myUnisa learning management system is the university's online campus where you can communicate with your lecturers, other students and the administrative departments of the university – all through the computer and the internet.

Start at Unisa's main website(<http://www.unisa.ac.za>) and click on the **myUnisa** orange block. This will take you to the myUnisa website. You can also go directly to the myUnisa: <https://my.unisa.ac.za>. On the myUnisa website, click on **Claim UNISA Login** on the right-hand side of the screen. You will be prompted to give your student number in order to claim your initial myUnisa details as well as your myLife e-mail login details.

For more information on myUnisa, consult the **Studies @ Unisa Brochure**, which you received with your study material.

### 4.2 Printed support material

Because we want you to be successful in this online module, we also provide you with some study material in printed format. In this way, you can read the study material even if you are not online.

It is very important that you log in to myUnisa regularly. We recommend that you log in at least once a week or every 10 days to do the following:

- *Check for new announcements.* You can set your myLife e-mail account to receive the announcement e-mails on your cellphone.
- *Do the Discussion Forum activities.* When you do the activities for each unit, we want you to share your answers with the other students in your group. You can read the instructions and even prepare your answers offline, but you will have to post your messages online.
- *Do other online activities.* For some of the unit activities, you will have to post something on the **Blog**, take a quiz or complete a survey under the **Self-Assessment** tool. Do not skip these activities because they will help you to complete the assignments and the activities for the module.

We hope that by giving you extra ways to study the material and practise the activities, this system will help you to succeed in the online module. To get the most out of online learning, you **MUST** go online regularly to complete the activities and assignments on time.

Remember, the printed support material is back-up material for the online material on myUnisa. It does not contain extra information. **In other words, do NOT wait for the printed support material to arrive before you start studying.**

### **NB: Predatory providers of classes and examination support**

Please be aware of the existence of multiple fraudulent and predatory providers of classes and examination guidance to Unisa students. Please note that Unisa do not have agreements with any of these agencies/schools/colleges to provide tuition or support to our students. Unisa also do not provide these predators with study material, guidelines or your contact information. These providers may not have the necessary expertise to assist you and often charge exorbitant fees. If you receive an invitation from any agency or College, it is best to confirm with your lecturer if the provider is a legitimate Unisa partner.

### **4.3 Library services and resource information**

For brief information, go to [www.unisa.ac.za/brochures/studies](http://www.unisa.ac.za/brochures/studies). For detailed information, go to <http://www.unisa.ac.za/library>. For research support and the services of personal librarians, click on **Research support**.

The library has compiled numerous library guides:

- finding recommended reading in the print collection and e-reserves – <http://libguides.unisa.ac.za/request/undergrad>
- requesting material – <http://libguides.unisa.ac.za/request/request>
- postgraduate information services – <http://libguides.unisa.ac.za/request/postgrad>
- finding, obtaining and using library resources and tools to assist in research – [http://libguides.unisa.ac.za/Research\\_Skills](http://libguides.unisa.ac.za/Research_Skills)
- contacting the Library/finding us on social media/frequently asked questions – <http://libguides.unisa.ac.za/ask>

## 5 HOW TO STUDY ONLINE

### 5.1 What does it mean to study fully online?

Studying fully online modules differs completely from studying some of your other modules at Unisa.

- *All the study material and learning activities for online modules are designed to be delivered online on myUnisa.* Although we give you a printed copy to support your studies, the module is designed to be delivered online.
- *All your assignments must be submitted online.* This means that you must do all the activities and submit all your assignments on myUnisa. In other words, you may **NOT** post your assignments to Unisa using the South African Post Office.
- *All communication between you and the university happens online.* The lecturers will communicate with you by e-mail and using the **Announcements, Discussion Forums** and **Questions and Answers** tools. You can use all of these ways to ask contact your lecturers and ask questions.

### 5.2 The myUnisa tools you will use

All the information about the myUnisa tools is located under **Unit 0** on the myUnisa website for this module. However, we thought it important to highlight the tools you will use for your formal assignments.

In this module, different types of assessment use different myUnisa tools.

- *Discussions*. This is the place where the online discussion forums take place and where you can share your ideas and insights with other students in your group. The discussion forums are also used for many of the activities and five activities count as assignments for this module. For these assignments to be submitted, the teaching assistant (TA) for the site has to create a forum with a topic (for example **Assignment 01** under **Discussions**). When you click on **Discussions**, you will find the topic **Assignment 01: Language Diversity**. Click on **Reply** and a message box will be displayed in which you must do the assignment. Scroll down to **Publish** to finalise/submit the assignment. Never create a new topic by yourself unless the TA requests you to do so. For the activities that have to be done under **Discussions**, the TA will create a forum called **Unit 1** and then a topic for the activity. Again, do the activity as a reply under the topic created by the TA and not as a separate topic.
- *Assignments*. The assignments that should not be done under **Discussions** are called written assignments. You have to type these assignments as a Word document and submit them online in the same way as you submit the other assignments online. The assignments will be routed to your TA, who will mark them. Depending on the assignment, you may be asked to fill in a form or type a document. These typed assignments must be submitted as Word documents using the online **Assignments** tool on myUnisa. The instructions for submitting these assignments are given under **Unit 0**.

Under **Discussions**, several other discussion forums are available where you can share ideas and post your opinions online. We also provide the **Social Indaba**, where you can socialise with the other students for the module. (In several African languages, an *indaba* is a place where people gather to interact socially.)

You may also ask questions using the **Questions and Answers** tool. If your question is of general importance, your TA may publish it for the whole group to see.

### 5.3 Prescribed book

To complete this module successfully, you have to purchase the prescribed book. The prescribed textbook for this module is:

Poza, EJ & Daugherty, MS. 2014. *Family business*. 4<sup>th</sup> edition. Mason, OH: South-Western Cengage Learning.

**Note:** Do not purchase the first, second or third editions of the prescribed book. The fourth edition (2014) differs substantially from the first, second and third editions.

Please consult the list of official booksellers and their addresses in ***Studies @ Unisa Brochure***.

## **5.4 E-tutoring**

Unisa offers online tutorials (e-tutoring) to students who are registered for modules at NQF Levels 5, 6 and 7 – which means qualifying first-year, second-year and third-year modules.

Once you are registered for a qualifying module, you will be allocated to a group of students with whom you will interact during the tuition period as well as an e-tutor who will be your tutorial facilitator. Thereafter you will receive a text message to inform you about your group, the name of your e-tutor and instructions on how to log onto myUnisa to receive further information on the e-tutoring process.

Online tutorials are conducted by qualified e-tutors appointed by Unisa and are offered free of charge. All you need to participate in e-tutoring is a computer with internet connection. If you live close to a Unisa regional centre or a Telecentre contracted with Unisa, please feel free to visit any of these to access the internet. E-tutoring takes place on myUnisa, where you are expected to connect with other students in your allocated group. It is the role of the e-tutor to guide you through your study material during this interaction process. To get the most out of online tutoring, you have to participate in the online discussions that the e-tutor will facilitate.

It has been found that there are modules which students repeatedly fail. Face-to-face tutors have been allocated and tutorials for these modules take place at Unisa regional centres. These tutorials are offered free of charge, but it is important that you register at your nearest Unisa regional centre to secure attendance of these classes.

## 6 ASSESSMENT

### 6.1 Assessment plan

Unlike residential universities, Unisa does not require students to write tests to gain admission to the examination. Assignments are regarded as part of the study material for this module. As you do the assignment, study the reading texts, consult other resources, discuss the work with fellow students or e-tutors, or do research, you are actively engaged in learning. Familiarise yourself with the assessment criteria for each assignment as they will help you to understand more clearly what is required of you.

Three assignments are set for this module. Assignments 01 and 02 are compulsory assignments that must be submitted to the university. You **must submit both these assignments to obtain admission to the examination**. Admission will be obtained by **submitting the assignments** and **not** on the strength of the marks you obtain for it. Failure to submit **both Assignment 01 and Assignment 02** will mean that you will **not be admitted to the examination**. Assignment 01 consists of multiple-choice questions that must be completed online, while Assignments 02 is written assignments. Assignment 03 is a self-assessment assignment and should not be submitted.

You will receive feedback on both Assignments 01 and 02 in Tutorial Letter MNE3704/201/1/2018 or Tutorial Letter MNE3704/201/2/2018, depending on the semester for which you are registered. As soon as you have received the feedback, please check your answers. The assignments and the comment/feedback on these assignments are an important part of your learning and should help you to be better prepared for the examination.

### 6.2 General assignment numbers

Assignments are numbered consecutively starting from Assignment 01.

Assignment
01 Compulsory
02 Compulsory (written assignment)
03 Self-Assessment (not to be submitted)

### 6.2.1 Unique assignment numbers

	First semester	Second semester
Assignment number	Unique number	Unique number
01 (Multiple Choice)	707157	734661
02 (Written assignment)	846735	754082

### 6.2.2 Due dates for assignments

Assignment number	First semester	Second semester
	Due date	Due date
01	03 March 2018	03 August 2018
02	23 March 2018	21 September 2018

### VERY IMPORTANT

Please ensure that your assignments reach us on or before the relevant due dates. You will not be admitted to the examination if either Assignment 01 or Assignment 02 is submitted later than the due date. Please do not phone us with a request to be admitted to the examination if you have not submitted Assignment 01 or Assignment 02 or if you submitted them after the due date.

### 6.3 Submission of assignments

You may submit written assignments either by post or electronically on myUnisa. Assignments may not be submitted by fax or e-mail. For detailed information on and the requirements for assignments, see **Studies @ Unisa Brochure**.

**PLEASE KEEP A COPY OF YOUR ASSIGNMENT IN A SAFE PLACE.**

To submit an assignment via *myUnisa*:

- Go to *myUnisa*.
- Log in with your student number and password.
- Select the module.

- Click on **Assignments** in the menu on the left-hand side of the screen.
- Click on the number of the assignment that you want to submit.
- Follow the instructions.

Do not contact your lecturer for administrative information about your assignments. For any administrative information about your assignments, contact the relevant administrative sections. See Section 3.3 for the contact details of the university. You will also find information on myUnisa.

Assignments should be addressed to:

The Registrar  
PO Box 392  
UNISA  
0003

## 6.4 Assignments

Three assignments are set for this module. Both Assignments 01 and 02 are compulsory assignments and they appear in **Addendum A** of this tutorial letter. Assignment 03 is a self-assessment assignment and should not to be submitted to the university for assessment. This assignment also appears under the **Self-assessments** tool on myUnisa. Assignment 01 consists of multiple-choice questions, while Assignments 02 and 03 are written assignments.

## 6.4 Year mark and final examination/portfolio

The main purpose of the assignments is to encourage you to study the prescribed book, to read certain sections over and over again, and to think about the study material in terms of practical application. With these remarks in mind, the questions may sometimes be difficult and some may seem ambiguous. The idea is not to trick you or catch you out, but to make you think.

Formative assessment for this module takes place through a semester mark system. Both Assignments 01 and 02 are compulsory, and you will be given a separate mark for each of these assignments. The marks of the two assignments will be used to calculate your year mark. Your final assessment mark for this module will therefore be a combination of your assignment marks and the examination mark.

Your year mark (the weighted mark of the two assignments) will contribute a maximum of 20% to your final assessment mark for the module, while your examination mark will contribute 80%. Assignments 01 and 02 will count 10% and 90% respectively towards your year mark.

Irrespective of the year mark obtained, a **subminimum of 40%** must be obtained in the examination. You will therefore not pass the module if your examination mark is less than 40%. In addition, if your examination mark is less than 40%, it will not be used in the calculation of your final mark for the module. The examination mark will be the final mark in this instance.

Please study the following examples to see how the assignment marks will contribute to the final mark:

### Example 1:

If you obtain 50% for Assignment 01, this mark will be multiplied by 0.1 to give you 5% towards your year mark. If you obtain 60% for Assignment 02, this mark will be multiplied by 0.9 to give you 54% towards your year mark. The total mark of Assignments 01 and 02 (5% plus 54%) will constitute your year mark of 59%. This figure will then be calculated to give you a weight of 11.8% year mark (59 x 0.2%). If you obtain 50% in the examination, this figure will be multiplied by 0.8 to give you a weight of 40% examination mark. The two results will be combined to give you a final mark of 51.8% (11.8% + 40%) for the module.

Assessment	% obtained	Multiplier	Mark
Assignment 01	50%	0.1	5%
Assignment 02	60%	0.9	54%
Year mark (weighted mark)	59%	0.2	11.8%
Examination mark	50%	0.8	40%
<i>Final assessment mark</i>			51.8%

### Example 2: No marks for assignments –need 62% in examination to pass

If you get total mark of 0% for both assignments, you will have to obtain 62% in the examination to pass as this percentage will be multiplied by 0.8, which equals 49.6% (50%) – your final mark.

Assessment	% obtained	Multiplier	Mark
Assignment 01	0%		0%
Assignment 02	0%		0%
Year mark (weighted mark)	0%	0.2	0%
Examination mark	62%	0.8	49.6%
<i>Final assessment mark</i>			50%

### Example 3: Examination mark below sub minimum of 40% – year mark does not count

Assessment	% obtained	Multiplier	Mark
Assignment 01	100%		
Assignment 02	100%		
Year mark (weighted mark)		0.2	0%
Examination mark	39%	0.8	31.2%
<i>Final assessment mark</i>			31%

## 7 EXAMINATION

The examination is your opportunity to demonstrate that you have achieved the outcomes of this module. Use the ***Studies @ Unisa Brochure*** for general examination guidelines and examination preparation guidelines.

### 7.1 Admission to the examination

You must submit both **ASSIGNMENT 01** and **ASSIGNMENT 02** to obtain admission to the examination. Admission will be obtained by submitting the assignments and not on the strength of the marks you obtain for it. Failure to submit ASSIGNMENT 01 and ASSIGNMENT 02 will mean that you will not be admitted to the examination.

This module is offered in a semester period. This means that if you are registered at the beginning of the year, you will write the examination in May/June 2018; if you are registered for the second semester, you will write the examination in October/November 2018. During the semester, the Examination Section will provide you with information about the examination in general, the

examination venues and the examination date and time. The supplementary examination for the first semester will be written in October/November 2018 and the supplementary examination for the second semester will be written in May/June 2019.

## **7.2 Format of the examination paper**

The duration of the examination paper will be two hours. The examination paper will be in English. It will count 70 marks and consists of two sections. Section A (30 marks) will be compulsory and the questions will be based on a case study. Section B (40 marks) will consist of three questions, of which you will have to do two. Multiple-choice questions will not be asked for the examination. Therefore, the marks that you obtain for compulsory Assignment 01 will not be an indication of your level of understanding the study material or what marks you can expect in the examination.

The Examination Section places limited copies of previous examination papers on myUnisa. Please note that these examination papers are provided to give you an idea of the expected format of the examination paper and you should not regard it as an indication of the questions that are likely to appear in the examination that you will write. However, please refer to the examination guidelines in this tutorial letter as the format of examination papers vary from year to year. No further previous examination papers will be provided, nor can we provide you with memoranda for the previous examination papers provided.

Please do not contact your lecturers for copies of previous examination papers or to find out about the availability of examination papers on myUnisa, as this is a function of the Examination Department.

### **Alternative assessment to assist students who qualify for final-year concessions**

**Studies @ Unisa Brochure** contains important information on the final-year (FI) concession procedure to assist students who have one or two modules outstanding.

The Department of Examination Administration will inform all students who qualify for a FI concession by SMS/e-mail.

For this module, FI students will have the option to make use of the next formal examination opportunity or to engage in an alternative method of assessment. The alternative method of

assessment for this module will be in the form of a portfolio. More information on the alternative method of assessment will be communicated directly to qualifying students.

Alternative methods of assessment are subject to stringent academic rules and processes, and should not be considered an easier option. Failure to meet the learning outcomes of the module, through the alternative method of assessment, will result in students failing and they will have to re-register for the outstanding module.

## 7 CONCLUSION

We strongly advise you to begin studying for this module without delay. The first assignment is due early in the semester (March/August) and you write the examination in May/June (first semester) or October/November (second semester).



We hope that you find this module interesting and helpful, and that it will make a positive contribution to both your personal development and your career.

Please contact me at any time – in writing, electronically or personally (do make an appointment) – to discuss any problems you have with your studies.

I wish you a successful year of study.

Best wishes

**SARAH RADEBE**

**Primary Lecturer: MNE3704**

Section: Entrepreneurship

Department of Entrepreneurship, Supply Chain, Transport Economics, Tourism and Logistics Management

## ADDENDUM A: COMPULSORY ASSIGNMENTS

### ASSIGNMENT 01 (FIRST SEMESTER)

<b>Assignment 01</b>	<b>First semester</b>
Due date	03/03/2018
Unique number	707157
Assignment Type	Multiple Choice

Enter your answers to the following multiple-choice questions on the mark-reading sheet supplied. For online submission, refer to the instructions in Section 6.3 of this tutorial letter.

Remember to write the unique number of the assignment on the mark-reading sheet.

The prescribed book will assist you in answering this assignment.

#### Question 1

The competitive advantage inherent to family business is best explained by the \_\_\_\_\_ of organisations.

- 1 unique challenges
- 2 resource-based view
- 3 zero-sum dynamics
- 4 increasing individualism

**Question 2**

Traditionally, agency theory has held that the natural alignment of owners and managers in a family business decreases the need for formal supervision of agents and as such reduces the agency costs of ownership in family businesses.

Which of the following are potential sources of agency costs attributed to both side of goal incongruity between the chief executive officer (CEO) and the rest of the shareholders?

- a lack of career opportunities for non-family agents
- b preference for less business risk
- c lack of monitoring non-family members' performance
- d lack of monitoring the business' performance
- e the CEO's ability to hold out based on non-family members' status

- 1 a, b and d
- 2 a, b and c
- 3 b, c and e
- 4 a, c, d and e

**Question 3**

The \_\_\_\_\_ perspective holds that the founding family members view the business as an extension of themselves and therefore regard the continuing health of the enterprise as connected with their personal well-being.

- 1 systems theory
- 2 strategic
- 3 stewardship
- 4 agency

#### Question 4

A genogram (a cousin of the traditional family tree) informs us not only of family names, relationships, ages and lineal descendants, but also captures\_\_\_\_\_ .

- 1 critical events, the quality of the relationship and family ties
- 2 the quality of relationships, critical events and family values
- 3 the quality of relationship, family values and important messages
- 4 critical events, the quality of relationships and important messages

#### Question 5

\_\_\_\_\_ refers to the capacity for recognising our own feelings and those of others, and the ability to manage our own emotions and our relationships with others.

- 1 The intelligent quotient
- 2 Emotional intelligence
- 3 Cognitive development
- 4 Emotional development

#### Question 6

Family meetings and family councils are reliable forums to educate family members about the business. In family meetings, family members can learn about the \_\_\_\_\_ of being an owner manager.

- 1 conflicts and powers
- 2 rights and responsibilities
- 3 rights and dynamics
- 4 responsibilities and influences

Read the following and answer questions **7 to 11**.

Several types of policies stand out in their usefulness for the family business during planning and policy making. Descriptions of these policies are given below.

- 1 This policy offers guidelines for arms-length transactions in an open competitive market.
- 2 This policy states the family's desire to keep the ownership of the business within the family as well as the steps required of every family member when they marry.
- 3 This policy sets out the family's needs and balances them against reinvestment in the business for growth.
- 4 This policy includes principles that support the desired relationship between the controlling family and the company in the future, and recognise that the individuals or particular family branches may have cash-flow needs.
- 5 This policy conveys to the board of directors the vision, values, mission, goals and needs of the shareholders.

**Question 7**

Which one of the above statements refers to the prenuptial policy?

**Question 8**

Which one of the above statements refers to the liquidity policy?

**Question 9**

Which one of the above statements refers to the subcontractor policy?

**Question 10**

Which one of the above statements refers to the owner's plan policy?

**Question 11**

Which one of the above statements refers to the dividend policy?

### Question 12

Providing shareholder liquidity through dividends, buy-sell agreements and redemption funds is essential for preserving \_\_\_\_\_ as a source of competitive advantage.

- 1 diversified ownership and family control
- 2 concentrated ownership and family control
- 3 family ownership and control
- 4 structured ownership and family control

### Question 13

When exiting and transferring power to the next generation, CEOs have different styles of handing over the reins.

Which one of the CEO exit styles best fit this description: "The CEO sets a departure date and announces it publicly, thus committing himself/herself to the goal of transferring power within an established timeframe."

- 1 the ambassador
- 2 the inventor
- 3 the governor
- 4 the transition czar

### Question 14

\_\_\_\_\_ is a great elixir for the prevention of entitlement culture in the family growing wealth, as it also promotes a family's legacy and continued spirit of enterprise.

- 1 Delegation
- 2 Entrustment
- 3 Philanthropy
- 4 Retention

**Question 15**

Which one of the following is a pitfall in estate and ownership transfer planning?

- 1 sufficient preparation of successors
- 2 consultation with heirs to determine individual needs
- 3 confusing love and equality with fairness
- 4 abundant communication and consultation with heirs

**Question 16**

For non-family managers, the complexity of getting the job done is compounded by the need to understand the family-influenced \_\_\_\_\_ and skilfully manage \_\_\_\_\_ among family members.

- 1 organisation culture, relationships
- 2 organisation structure, relationships
- 3 organisation strategy, dynamics
- 4 organisation culture, dynamics

**Question 17**

\_\_\_\_\_ is/are a collection of beliefs, values and ground rules that shapes and significantly influences how individuals, groups and the company as a whole behave or operate when confronted with choices, decisions, opportunities and threats.

- 1 Principles
- 2 Conviction
- 3 Assumption
- 4 Culture

### Question 18

Competition today is based on procuring and deploying new products and new products/service combinations in new supply-chain channels, including the \_\_\_\_\_.

- 1 intranet
- 2 internet
- 3 extranet
- 4 intercom

### Question 19

The total value of a business to its shareholding family is a combination of the \_\_\_\_\_ value of the enterprise to the family.

- 1 fair and market
- 2 marketable and share
- 3 market and financial
- 4 financial and emotional

### Question 20

The DuPont method for calculating return on investment focuses on \_\_\_\_\_.

- 1 expense control through profit and loss
- 2 asset utilisation through the total asset turnover
- 3 net present value
- 4 debt utilisation through profit margins

**Total marks: 20**

**ASSIGNMENT 02 (FIRST SEMESTER)**

<b>Assignment 02</b>	<b>First semester</b>
Due date	23/03/2018
Unique number	846735
Assignment Type	Written assignment

**Read the case study below and answer the questions that follow.**

#### CASE STUDY: SAWIRIS DYNASTY

Onsi Sawiris is the founder of the Orascom conglomerate and the patriarch of Egypt's richest family. The Sawiris family (comprising Onsi and his sons Naguib, Nassef and Samih) has an estimated worth of US\$4.2 billion. In the early-60s, Onsi set up Orascom Onsi Sawiris & Co, a small construction-contracting firm with operations in Upper Egypt. His firm soon became one of the largest construction firms in the country. Onsi was in his mid-20s at the time and was savouring his success, when the commercial success of his business soon made it a government target for nationalisation.

Disenchanted, he left Egypt in 1966 and relocated to Libya where he attempted to rebuild his business. While the move was logical from a commercial point of view, it meant significant personal sacrifice with his wife left at home in Egypt – alone, after their three sons had flown the nest to enrol in colleges abroad: Naguib to study engineering in Zurich, Nassef to study economics in Chicago and Samih to study engineering in Berlin. However, as Onsi points out, had he not made the difficult move to rebuild his business in Libya, there would have been no money to fund his sons' expensive international education. He returned to his native country in 1977 and set about rebuilding his contracting business, starting out with a small office and just five employees. With his sons back by his side, the Sawiris' business (now known as the Orascom Group) thrived.

Oldest son Naguib joined his father in the family business in 1979 and, with his training in engineering, established and built up the railway, IT and telecommunications sectors of Orascom. Upon graduation from Berlin, middle son Samih founded his first company (National Marine Boat Factory) in the 1980s, followed by Orascom Projects for Touristic Development in 1996. Meanwhile, youngest son Nassef supervised the core construction activities of the family

business from 1990 onwards.

Onsi decided to split the conglomerate into separate operating companies, giving each son control of one of the major business segments according to their experience and strengths. Oldest son Naguib became the CEO of Orascom Telecom Holding, middle son Naguib headed up the tourism and real estate activities through Orascom Development and Hotels, and youngest son Nassef took charge of Orascom Construction Industries. Onsi stepped away from the day-to-day operations to become the Group's chairman, although it cannot be said that Onsi was entirely content with the realities of taking a back seat in the business. Onsi Sawiris always said that the greatest investment he ever made was in his sons. "I can barely give them advice," he once said, "The new generation has its own methods and ideas and I have to practice consummate diplomacy when I want to make them see it my way. That is not to say that I am never overruled."

Adapted from: Pursey, S. 2012. *Sawiris dynasty: Pharaohs of the boardroom*. 2012. Norwich: Euroasia Industry. <http://www.euroasiaindustry.com> (accessed 26 June 2015).

## QUESTION 1

- 1.1 Based on the case study, what led to the success of the Orascom Group? Support your answer with 10 statements from the case study. (10)
- 1.2 Which CEO exit style did Onsi Sawiris use when he retired? Justify your answer with evidence from the case study. (1)
- 1.3 Elaborate on the CEO exit style that you have given in **1.2**. (7)
- 1.4 Samuel Curtis Johnson III (the former chairperson of the family company SC Johnson) said: "Each generation has the responsibility of bringing to the business their own vision for the future of the business."

Vision is a controversial word for many managers. Why is it so important to a next-generation leader's ability to lead a family business? (12)

**[30]**

**QUESTION 2**

Due to the myriad ways in which us-and-them behaviour can manifest, multigenerational families are fertile ground for zero-sum dynamics.

Elaborate on this unique challenge family-owned businesses face. (8)

**QUESTION 3**

Depending on the size of the family council and its prescribed role in a particular family, it may be appropriate for council members to vote on policies.

Describe any four guidelines that can help families to develop family business interaction policies. (4)

**QUESTION 4**

There are seven primary sources of value on which family companies can build competitive advantage.

Describe any six primary sources of value on which family companies can build competitive advantage. (6)

**QUESTION 5**

If a family business is going to preserve one of its intangible yet well-documented competitive advantages, it is essential for them to make long-term investments in the ownership subsystem.

What investments should family businesses make? (2)

**(20)**

**Total marks: 50**

**ASSIGNMENT 01 (SECOND SEMESTER)**

<b>Assignment 01</b>	<b>Second semester</b>
Due date	03/08/2018
Unique number	734661
Assignment Type	Multiple Choice

**Enter your answers to the following multiple-choice questions on the mark-reading sheet supplied. For online submission, refer to the instructions in Section 6.3 of this tutorial letter.**

**Remember to write the unique number of the assignment on the mark-reading sheet.**

The prescribed book will assist you in answering this assignment.

**Question 1**

In terms of the systems theory approach, the family firm is modelled as comprising three overlapping, interacting and interdependent subsystems of family, management and ownership.

Which one of the following characteristics does not apply to a family-first business?

- 1 Compensation is based on responsibilities, results and overall merit.
- 2 Perks that transfer from the business to the family members are often extensive.
- 3 Employment is based solely on the applicant's last name.
- 4 Financial systems may be obtuse by design, and secrecy is often paramount.

**Question 2**

Family businesses that have boards with two or more outsiders acknowledge that these boards contribute to the effective management of their businesses.

What are the benefits of having outside board members in a family business?

- a) They bring with them a network of contacts.
- b) They bring a fresher and broader perspective to issues of concern to the business.
- c) They provide unbiased objective views.
- d) They make top managers accountable for their actions.

- 1 b only
- 2 a, b and c
- 3 a, b, c and d
- 4 b, c, and d

**Question 3**

Business owners often delay estate planning for the following reasons:

- a) They do not want to discuss their death and its implications for the family and the business.
- b) They do not think that the next generation is ready to lead.
- c) They do not want to give up control of the business.
- d) They are trying to avoid potential family conflicts.

- 1 a, b, c and d
- 2 a, c and d
- 3 b, c, and d
- 4 a, b and c

#### Question 4

Buy-sell agreements are often the primary vehicle for family shareholders to have their highly illiquid and unmarketable wealth, the company \_\_\_\_\_, realise its value.

- 1 brand
- 2 share
- 3 stock
- 4 dividend

#### Question 5

For non-family managers, the complexity of getting the job done is compounded by the need to understand the family-influenced organisation's \_\_\_\_\_ and to skilfully \_\_\_\_\_ relationships with family members.

- 1 culture, manage
- 2 background, coordinate
- 3 structure, manage
- 4 history, coordinate

#### Question 6

CEOs of family businesses have a mandate to drive the success of their businesses (that is, they have the responsibility of \_\_\_\_\_).

- 1 planning the estate with business agility, focusing mainly on tax minimisation
- 2 keeping the family company competitive and profitable
- 3 promoting healthy competition among potential successors
- 4 welcoming the views of non-family members who continuously raise the bar for the owner-manager

**Question 7**

There are reasons why a family enterprise should consider a non-family CEO.

Possible reasons include:

- a) The owning family recognises that the business needs leadership that will focus on the future and not the past.
- b) The outgoing family CEO is not capable of leading a succession process and/or choosing among children whom he or she loves equally.
- c) The owning family sees the need for change but desires to keep the business under family control.
- d) Use performance measures such as scorecards to build motivation.

- 1 a, c and d
- 2 b, c and d
- 3 a, b, c and d
- 4 a, b and c

**Question 8**

Top-notch board members go where their ideas will be listened to and where their contributions will make a difference.

Which of the following are major roles of the board of directors?

- a) the board's role in setting company strategy
- b) the board's role in adapting over generations
- c) the board's role in succession and continuity planning
- d) the board's role in managing the business

- 1 a, c and d
- 2 a, b and d
- 3 a, b and c
- 4 b, c and d

### Question 9

Which one of the following is not a stage of business development?

- 1 idea generation
- 2 start up
- 3 vision
- 4 growth

Read the following and answer questions **10 to 13**.

The CEO's spouse in a family business can adopt any of the following leadership or role types, each with its own implications for the family business.

- 1 The CEO's spouse has to compete with the business for the CEO's recognition, affection, financial resources and time.
- 2 The CEO's spouse provides the glue that keeps the family together through predictable challenges families face.
- 3 The CEO's spouse is necessary to the business, whether through his or her financial investment in the business or his or her professional, technical and administrative skills.
- 4 The CEO's spouse is often called on to provide interim to full leadership of the corporation and the family business relationship before full transfer of power to the next generation takes place.
- 5 The CEO's spouse is more than a relationship problem solver; he or she instils a sense of what the business stands for and what it means to the family.

### Question 10

Which one of the above statements applies to a spouse that acts as a business partner?

### Question 11

Which one of the above statements applies to a spouse that acts as the chief trust officer?

**Question 12**

Which one of the above statements applies to a jealous spouse?

**Question 13**

Which one of the above statements applies to a spouse that acts as the interim CEO spouse?

**Question 14**

If there is a disagreement worth having in a family-controlled company, it is a disagreement about \_\_\_\_\_.

- 1 dividends for shareholders
- 2 the vision and mission of the business
- 3 the vision and future direction of the business
- 4 next-generation leadership

**Question 15**

Family governance is a system of joint decision making by family and business leaders that help the owning family govern its relationship with the business and family.

The governance structure of the all-important family enterprise or family wealth relationship comprises \_\_\_\_\_.

- 1 family councils, family offices, family constitutions, and estate and ownership control planning and committees of the family
- 2 family offices, family constitutions, and estate and ownership control planning
- 3 annual stockholders' meetings, family councils, a board of directors and a top management team
- 4 family councils, family offices, estate and ownership control, and top management

### Question 16

Governance of the shareholder–business relationship is essential. The tools for governing that relationship are the \_\_\_\_\_.

- 1 family members, family council and family meetings
- 2 non-family members, family meetings and CEO spouses
- 3 board, shareholder meetings and family meetings
- 4 board meetings, family council and non-family members

### Question 17

The agency theory traditionally suggested that the overlap in ownership and management found in family businesses is \_\_\_\_\_.

- 1 a disadvantage
- 2 an asset
- 3 an advantage
- 4 a strategy

### Question 18

Regardless of gender, next-generation leaders have to understand that their mission is to concurrently \_\_\_\_\_ the business, the family and the shareholders.

- 1 manage
- 2 control
- 3 organise
- 4 lead

**Question 19**

The \_\_\_\_\_ is extremely valuable to families in private business. It measures and informs family shareholders of progress toward goals and can facilitate pruning the family tree without conflict by making buy-sells possible among family shareholders.

- 1 business valuation
- 2 balance sheet
- 3 fair market value
- 4 discounted cash flow

**Question 20**

It takes ongoing dialogue across generations of owner-managers about their \_\_\_\_\_ for the company to build a family business that continues.

- 1 passion
- 2 vision
- 3 dream
- 4 plan

**Total marks: 20**

## ASSIGNMENT 02 (SECOND SEMESTER)

<b>Assignment 02</b>	<b>Second semester</b>
Due date	21/09/2018
Unique number	754082
Assignment Type	Written assignment

**Read the case study below and answer the questions that follow. Only Question 1 is based on the case study.**

### **Case study: Family emotional intelligence**

One family in the Midwestern United States faced some challenging family dynamics. They decided to have a new approach to family meetings, using the ECI-U model. All family meetings now begin with a reminder of the need for every individual present to be conscious of and responsible for his or her emotional response to the discussion. The family wanted to create an environment that encourages conversation and debate while at the same time ensuring that people are sufficiently respectful of one another. The family realised that it is not always easy to be respectful, so they worked together to develop some simple rules of conduct. The chairperson always includes the Rules of Conduct a first item on the agenda to help set the tone for the meeting. The family has gone as far as to laminate their ground rules and post them on the wall for everyone to see during the meeting.

Family Rules of Conduct:

1. Focus on the future and not the past.
2. Be a good listener.
3. Put yourself in the other's shoes.
4. Stay focused on principles, not personalities.
5. Make "I" not "you" statements.
6. Say "Got it" whenever speech-making blocks progress.
7. Disagreements are okay, as long as we are committed to arriving at an improved final decision.

Source: Poza, EJ & Daugherty, MS. 2014. *Family business*. 4<sup>th</sup> edition. Mason, OH: South-Western Cengage Learning.

**Question 1**

The ECI-U model provides feedback that is focused on the strengths and weakness of the individual respondent and his or her relationships with others (as viewed by other family members, co-workers in the business, managers, direct reports, suppliers and even customers) and targets specific competencies to develop to enhance individuals' emotional competency.

Giving statements from the case study and stating components of the ECI-U model (Table 2.1 in Poza & Daugherty 2014), illustrate how this family used the ECI-U model. (12)

**Question 2**

What is the importance of family emotional intelligence to a family business? (10)

**QUESTION 3**

Many next-generation members of business-owning families want to lead and are ready to work hard and make the sacrifices necessary to be responsible leaders. Discuss the characteristics that successful next-generation leaders share. (8)

**QUESTION 4**

4.1 Family meetings are the best forum for achieving and maintaining this optimal balance of ownership, family and management.

What are the tasks of family meetings? (8)

4.2 Research conducted by Jeffrey Sonnenfeld and PL Spencer in 1989 found that chief executive officers (CEOs) exit family businesses in various ways.

Describe the six CEO exit styles. In your description of the styles, give two characteristics of each style. (12)

**[20]**

**Total marks: 50**

## **ADDENDUM B: SELF-ASSESSMENT ASSIGNMENT**

**This assignment does not have to be submitted but serves as preparation for the examination at the end of the semester.**

**Read the following two case studies and answer Questions 1 and 2 that follow.**

### **Case study 1: SC Johnson**

Many years ago, as a young chemist working in the company's lab, Samuel Curtis Johnson III (now deceased chairperson of SC Johnson, a family company) tried to convince his father that he had the formula for a breakthrough product – an insecticide. Reports are that several attempts at convincing his father of the soundness of the idea were rebuffed with a simple “Remember, son, we are a wax company”. Samuel Curtis continued to perform his assigned job faithfully in the lab. He also continued to bring up his idea and advocate its merits in subsequent meetings with his father, only to receive the same admonition. Finally, he added a tiny bit of wax as an inert ingredient to his formulation for the insecticide. When he once again took the new product (now part of the wax family of products) to his father, it received the go-ahead – after all, the insecticide was now wax-based.

Source: Poza & Daugherty (2014:160)

### **Case study 2: JW Marriot**

“My father forced me to think and to present my ideas in a forceful way because he said no to everything. He took the position of a devil's advocate. And everything I brought in for approval – to buy a hotel, grow a hotel business, to change the strategies – he'd say no.”

– JW Marriot Jr, CEO and Chairman of the Board, Marriot International

#### **Question 1**

Vision is a controversial word that is too soft and ethereal for many in management. But why is it so important to a next-generation leader's ability to lead a family business? (12)

**Question 2**

What do the experiences of JW Marriott and SC Johnson have in common? (10)

**Question 3**

Describe what a family business is and define the essence of the distinctiveness of family businesses.

(10)

**Question 4**

Differentiate between the three common valuation methods (approaches) to determine the value of a family business.

(10)

**Question 5**

Discuss the general expectations of family members who participate as board members.

(8)

**Total marks: 50**

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