

# A degree of family education

Family Business MBAs are becoming more and more common across Europe. But how do they compare with a regular MBA? And is it better for students to specialise or to learn about the entire business world? Gordon Cairns finds out ...

Family Business, Master of Business Administration degrees first appeared in the early 1990s in the US, before crossing more recently into Europe. There are now estimated to be 12 full Family Business MBAs across Europe, while many more business schools offer modules in running, or dealing with, family-owned companies.

Randel Carlock, senior affiliate professor of entrepreneurship and family business at business school INSEAD, was instrumental in the establishment of the first family business modules in the US 15 years ago. He stresses the importance this course of study can have on business and family life.

"You cannot believe the difference teaching family business makes to people's lives," he says. "When you take a course in finance and marketing you may acquire some knowledge that you will apply maybe once or twice a day in your career. But when my students go back to their families after doing the course, they have acquired knowledge which affects every aspect of their lives."

From 2008, the Coles College of Business at Kennesaw State University, Atlanta, GA, is offering a new Executive MBA for Families in Business that is aimed at family business CEOs and executives. The programme, which was created in direct response to demand from family business leaders, incorporates innovation in established family business and strategies for building family unity. Family business insights are integrated into every aspect of the curriculum, which uses case studies to demonstrate the competitive advantages that are unique to family businesses.

In the UK, the University of Gloucestershire introduced a Family Business MBA in 2002 and it has now seen two cohorts of students completing the degree, which encompasses modules such as strategic management in the family business, leadership in family business and the family business in context. Course leader Philippa Ward said the impetus for the course came from looking at teaching trends in business and demand from MBA students wishing to learn the specifics of a family business.

"There is a range of issues faced with running a business,

and integrating family management into the process makes it an even more complex process," she says.

## BUSINESS SUCCESS

Skills developed on the Gloucestershire MBA helped graduate Roman Cooper become managing director of his family business, Allcooper, despite being the youngest of three brothers who all worked for the company. "At the time of deciding to study for a Family Business MBA, I was in a branch of our business which was in a bit of a backwater," he explains. "I knew some of the decisions we took were right, based on gut feeling, but I didn't know why they were right and didn't know how to articulate it."

*"You lose something if everything is about family business rather than being related to the larger world"*

Although he had no qualifications beyond A levels from school, he decided to take the MBA to help develop business strategies. When his father retired from the business, the family realised there was no leadership and Cooper took control, in part because of his newly acquired academic background. By applying what he had learned in the classroom, Cooper had an immediate effect on the running of the company.

He said that the biggest impact was to introduce a strategy for restructuring the business. "This caused my eldest brother Tim to leave and have his share of the company bought out. This was achieved amicably through what I had learned from the course," he adds.

Cooper's experience illustrates what Carlock considers to be the central concern of a family business – negotiating the inevitable crossover between family life and the business. Carlock believes that through education, families can juggle the two entities successfully.

"The basic issue is an overlap of your family system and

