

## Chapter 2

# Reading a Family Business Case

Reading a family business case, you will see the unique issues facing entrepreneurs and their family firms. To get the most from these cases, you should ask yourself the following questions:

- What is the situational context of the case?
- Who are the principal players?
- Who do I identify with in the case?
- What are the pertinent facts in the case?
- Have I looked closely at the exhibits?
- What concepts about family business and management in general should apply to this case?
- Does this case represent a situation that I might face?

Reading a family business case should help you, the reader, to understand key concepts through self-discovery. In this process you will learn that there is no permanent right answer for any family business situation and that there are many different ways to handle issues facing a family firm. We hope we have developed a series of cases that will have compelling situations so interesting questions can be asked. You will find these at the end of each case under the heading, “Learning Notes.”

Our goal is to help you to ask penetrating questions about how you would have handled the situation if you had been involved in this situation. This should help you learn different courses of action, perhaps find a better answer to solve a situation in the case. However, please remember that business cases are often messy and confusing. But, family business cases are even more “messy” just like families themselves. You will discover that firm problems are rarely found in neatly wrapped packages.

When reading a case please remember that they are not histories, but often are built in historic fashion. They clearly are stories of a family and their firm and thus are a part of the narrative tradition so much a part of all cultures. We have edited them to reduce the level of “noise of everyday life” but they do represent a selection of facts and inferences that, we believe, presents a learning situation.

We have done this to allow the reader to step into the situation/opportunity being faced by someone else. We hope we have created a microcosm of life of a business owning family and of the life within their family firm.

## About Case Types

Cases are developed by the research team and authors so that the reader has to respond to a situation where there is some form of action required. Often there is a range of possible actions available, which require applying a range of different skills. They are usually written from the standpoint of someone in the case who is the protagonist. While families and firms are highly complex, the writing team, for purposes of clarity, picks a limited set of foci for the situation within the family and firm. Often this is influenced by the current research literature in the field which can be applied to the case. As much as possible this review of the literature helps create an outline of the situation providing a basis for the logical flow of case facts. The authors try to communicate the action of the case in an engaging manner, providing relevant facts and not overloading the case with irrelevant material. You will find in cases things like biographical sketches of players along with financial data, industry information, or other information believed to be critical for understanding the case. In the end we are hoping to tell a story where there may or may not be an obvious solution to the problem. All of these cases are based on real people and we hope that their humanity comes through in what has been written.

There are four basic case styles (1) Highly Structured Cases; (2) Short Vignettes; (3) Long Unstructured Cases; and (4) Ground Breaking Cases. We will briefly review each of these so you can appreciate the variety of the cases provided.

The *Highly Structured Case* is typically short, contains no excess information, its problem is well ordered and stated. In such a case there exists a best solution. One can apply known tools or models and within the case there is sufficient data available for solution to be derived. Several of the cases in this series of case books fall within this category.

Another variety of cases are those best described as *Short Vignettes*. These are typically used to introduce a key concept, such as succession planning. They typically offer little excess information. They may be rather short, from 1 to 10 pages. What may be surprising in these type of cases is that the best answer is *not* derived from simple formula. These type of cases are usually used as a short teaching vehicle to get across one or two concepts. Some of the cases in this series fall into this category, but as with all family business cases, complexity usually is the dominant feature.

The next form is the *Long Unstructured Case*. It is typically 10–50 pages, often with several exhibits including financial data and industrial sector commentary. These longer cases are when the writers want to reflect the reality of a situation with more of its complexity. This is done by providing nearly all needed information about the situation. Because these cases are full of both qualitative and quantitative

information it is often more difficult to apply financial models to the problem. This is because the underlying problems and/or opportunities facing the firm and family are unclear. These cases do cover terrain where knowledge exists and/or there are preferred practices about how family issues can be addressed. It is these type of cases that should lead the reader to want to explore the existing research literature in family business, entrepreneurship, and general management. There are examples of this type of case in this series of case studies. You will find exhibits in these cases such as financial statements, organizational diagrams, etc. Many times these exhibits are unique or specific to the family business case and some of these may be “uncommon” or surprising.

The final type is known as the *Ground Breaking Case*. They are usually written by and for advanced MBA and doctoral students. This allows students and instructor engaged in joint exploration. From a research standpoint, these are usually the first stage in looking at an under research phenomena where little existing or prior knowledge exists on which to base systematic research. These are the cases which have as a goal, extending the knowledge base. While it would have been nice to put such a case into this series, these frankly end up as books unto themselves or become doctoral dissertations.

### **Learning Notes**

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At the end of each case you will find a *Learning Note*. These are typically directed to faculty members to use to direct class discussion, if they are using the case in an educational setting. In these volumes we direct these to the reader as questions the reader should be asking themselves. In some cases the concepts presented are tied to the existing research literature when possible. Sometimes, these notes state the obvious focus of this case. At other times they may also discuss the hidden issues in the case. Hopefully, they will challenge the reader to think about what business skills, or knowledge, they should apply to case. Some of these notes are longer than others and many issues raised in one can be applied to other cases in this series.

Understanding Family Firms  
Case Studies on the Management of Crises,  
Uncertainty and Change  
Carsrud, A.L.; Brännback, M.  
2011, X, 102 p. 2 illus., Softcover  
ISBN: 978-1-4614-0865-9