University family business clubs: An important resource for NextGens

By Carol B. Wittmeyer

As business families seek ever more effective ways to cultivate their next-generation leaders to meet tomorrow's challenges, many turn to educational institutions to deliver a robust business education—and to equip young people with the skills and insights to manage the opportunities and demands facing family enterprises.

Faculty members have long observed that, while a significant number of the students in their business classes have direct experience in family firms, there are few opportunities for drawing out those insights. Sadly, these students' perspectives, sure to enrich the classroom experience, too often remain untapped.

In surveys conducted at St. Bonaventure University and peer institutions, up to 40% of student respondents say their parents own a business. When asked whether other family members—grandparents, aunts, uncles, for example—own businesses, even more students respond affirmatively. These firms range from very small companies to multinational behemoths with revenues in the billions of dollars. What a rich source of insight that's begging to be highlighted by on-campus structures!

Equally unfortunate is the shortage of opportunities to help students network with their peers from other business families. Research shows that networking significantly bolsters future leaders' growth as effective stewards of their own enterprises.

Formal education for future family business leaders

Students who have experience in family firms—either working in their own family's business or holding jobs in companies run by other families—often have valuable experience to contribute in the classroom or in other educational settings. It is fascinating to hear the recollections of those who grew up in a family business.

One young man told me he was 9 years old when he realized that family vacations also included opportunities for his father, a real estate developer, to tour potential sites.
Savvy families understand the benefit of formal education for their next-generation leaders and seek to immerse their children in a rewarding academic environment. Where it exists on campus, family business programming helps students explore their family business heritage; develop skills for managing the challenges facing family firms; and network with others who have family business expertise. These experiences are open to students who have a passion to go into family business as well as students who are pursuing other passions but may become family business shareholders, employees, suppliers or advisers.

Several institutions offer robust, academically sanctioned programming—majors, minors and courses. A larger number of institutions offer minors in family business. Still more offer executive education programs tailored to shareholders and next-generation leaders.

To find the right fit, students and families seeking family business programming should begin by targeting a few institutions and inquiring about all family business academic opportunities, including executive education; identifying and meeting with faculty who have family business experience; and investigating whether the institutions fund students' family business activities.

The obstacles

Unfortunately, despite the efforts of faculty members who advocate for developing more family business-centric programming, formal educational offerings are not widespread.

Family business topics often do not fit into existing business school academic departmental structures. Programs accredited by the Association to Advance Collegiate Schools of Business (AACSB) may lack the flexibility to offer credit-bearing family enterprise programming that meets stated "assurances of learning" focused on traditional business disciplines. That's ironic, given that few students will go through a business career without working for or with family firms.

Further, any academically sanctioned offering requires the approval of faculty, some of whom do not view family business as a true discipline.

In addition, the interdisciplinary nature of meaningful family business programming presents barriers. Familiarity with estate planning, for example, is vital to running a successful family business but isn't likely to be covered in detail in a typical business school curriculum. Topics such as family dynamics and communication, also key to the healthy family enterprise, may be best taught by psychology and counseling professors outside the business school.

Non-credit programming: An accessible option

Where family business-specific, for-credit education is thin or unavailable, students can find exceptional learning opportunities within non-credit offerings. Conferences and clubs are two examples.

Conferences bring together students from different institutions, owners from a diverse range of businesses, and academics and practitioners to discuss challenges, share strategies, learn from one another and build relationships.

In addition, family business clubs are available on a variety of campuses, in the U.S. and internationally.

Most clubs develop organically, starting with a few students who draw on their own networks, the campus' existing strengths, and the support of an adviser. Student government funds and donations from parents and others may provide financial support.

Clubs prioritize networking, extracurricular opportunities and other activities that expose students to the real
Unconstrained by the demands of AACSB accreditation and internal academic approval processes, a club can freely focus on topics like family dynamics and communication.

Consider the mission of the St. Bonaventure University Family Business Club:

To prepare students to be significant contributors to their family firms, start their own and/or serve family businesses as employees, customers, suppliers and advisors. Open to all students, the Club offers networking and educational programs to prepare them for the opportunities and daunting challenges unique to family firms. The Club fosters relationships with alumni, parents and friends who offer students business tours, talks, mentorships and internships. The Club is supported by an interdisciplinary faculty from across campus, all with relevant family business experience. They offer seminars, mentoring as well as service and research opportunities for students.

Starting a club

Student surveys should be conducted from all majors to help establish a club prospect list. Many students who come from enterprising families do not wish to enter the family business. However, when they attend sessions with peers, they come to understand that they can pursue their dreams and still contribute to the family enterprise by being educated stewards.

Faculty members who wish to support the formation of a family business club might meet with colleagues in and out of the business school to learn more about who has family business experience and interest. One of the best strategies to help advance the family business field is to seek out smart colleagues and get them thinking about how family business is relevant to their area. After I met with psychology faculty, for example, the psychology department developed a seminar in family business dynamics. A colleague in the finance department advises a student-run investment group, which now includes a fund that invests in family-controlled companies.

How to get involved

Those who are passionate about family enterprise are encouraged to directly support family business clubs on campus. Even modest efforts by a business owner can help next-generation leaders—along with the faculty who advise them—to build meaningful family business initiatives on campus. Simply offering to speak to students about your family business is a great place to start.

A tour of a family business—particularly one owned by a student's family—presents an excellent learning opportunity. At St. Bonaventure, the student-stakeholder helps organize the content and logistics. The other students research and discuss the business in advance.

On these visits, students learn about owners' passion and pride in their heritage. They learn about patient capital and long-term business perspectives characteristic of family business owners. They see concrete examples of investments and innovations. They meet employees who are not blood relatives yet are devoted to the family owners and are treated as if they are family. They learn how the family makes decisions, including when and how the next generation can join the enterprise and become shareholders.

A fifth-generation student, Taylor, lined up a visit to his family's pet food company, now being led and owned by the fourth generation. Following a tour and lunch, the fourth-generation leader gave a presentation to the club on the firm's future strategies, the family's governance process, and his wish for his sons to have opportunities in the business if they were interested. Taylor followed up that event with a meeting with his father; they worked out a plan for Taylor to participate in summer internships to help him understand more about the company strategy and culture. That solidified Taylor's desire to work for the family firm.
A foundation for success

Most family businesses require the next generation to have higher education credentials. Broad skill sets—including communication, critical thinking, mathematical reasoning and decision making—are important to help students develop credibility and the potential to succeed in complex family enterprises. Family business clubs round out the academic experience by giving students exposure to the real-world issues facing family firms.

Student participants in family business clubs learn the real-world issues facing family firms. They visit family companies and gain direct access to business owners who take time to share their knowledge. These students also develop an important strategy for family business success—a committed and empathetic peer network.

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