



Syllabus

STEP Advanced Certificate in Advising the Family Business



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Advising the Family Business

Introduction

This document contains the detailed syllabus for the STEP Advanced Certificate in Advising the Family Business .

For more information about the course and how to apply, please visit the [course page](#) on the CLTI website.



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Module 1

AN INTRODUCTION TO FAMILY BUSINESS

This module covers:

- The family business market
- Why family businesses deserve special attention
- The traditional assumptions of family businesses in different parts of the world
- The attitudes towards continuity of business activity across generations
- What a 'family business' is
- The different types of families that may be in business
- The importance of understanding who is considered part of the 'family'
- The distinction between ownership and management
- The key challenges facing advisers and how specialists can better equip themselves to help family business clients.

By the end of this module you should be able to:

- Discuss the scale of the family business market globally and the growth of this market as a distinct area of knowledge and practice for professionals
- Explain why family businesses deserve special attention and how they differ from other businesses
- Reflect upon the traditional assumptions of family businesses across the world
- Describe the attitudes towards continuity of business activity across generations
- Articulate what a 'family business' is and explain the different types of families that may be in business together
- Analyse and explain the importance of understanding who is considered part of the family



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- Compare and contrast ownership and management
- Critically evaluate the key challenges facing advisers and explain how specialists can better equip themselves to help family business clients.



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Module 2

KNOW YOUR FAMILY BUSINESS CLIENT

This module covers:

- The importance of getting to know the history, relationships and roles within your family business client
- How genograms can be used to record important information about a client and help advisers identify and address important issues in practice
- The use of timelines to help advisers understand key events in the family and the business
- How narratives can be used to capture the different understandings among a family of the same event
- The significance of advisers being aware of their own natural biases, attitudes and values so as not to allow them to affect the service they offer and advice that they may give to their clients.

By the end of this module you should be able to:

- Explain and evaluate the importance of getting to know the history, relationships and roles within your family business client
- Prepare genograms using the symbols and simple conventions provided and with information about ages, ownership and roles within the business
- Use genograms to selectively identify questions that need to be asked and issues with which the family might need help
- Create a timeline for the family business which chronicles key events in the family and the business
- Use narratives to interpret and evaluate the different views about key events in the family business history to appropriately contextualise the advice that may be given regarding the future



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- Demonstrate a mature and analytical understanding of why each family business client might see the world differently
- Reflect upon the importance of being aware of our own biases, values and beliefs and ensure that this does not influence the advice given to the family business client.



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Module 3

SYSTEMS THINKING AND THE THREE-CIRCLE MODEL

This module covers:

- The Two-Circle Model
- How the Three-Circle Model can be used when helping a family business cope with change and plan for the future
- The complexity of the family business
- The idea of a family business as a system with various internal and external inputs
- Where trustees sit in the Three-Circle Model
- The competing interests and conflicting roles in family businesses
- Techniques for addressing conflict when it arises within a family business.

By the end of this module you should be able to:

- Explain the Two-Circle Model
- Provide a comprehensive and detailed critique of how the Three-Circle Model can be used to help family businesses cope with change and plan for the future
- Categorise the stakeholders in your family business clients into the appropriate segment of the Three-Circle Model
- Articulate ways in which the Three-Circle Model can be used to help advisers predict the motivations, fears and expectations of the different stakeholders in a family business
- Systematically explain that family businesses are a complex, open system with three sub-systems which are all affected by many inputs



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- Analyse where trustees in different family businesses sit in the Three-Circle Model
- Demonstrate a deep understanding of the competing interests and conflicting roles in family businesses
- Explain that conflict in family businesses is natural and understandable and cannot be avoided
- Propose potential solutions, strategies and techniques that can be used to address conflict when it arises.



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Module 4

HOW A FAMILY BUSINESS GOVERNS ITSELF

This module covers:

- The concept of family business governance and natural governance
- The assumption that successful family businesses must be well governed to be successful
- How family businesses create governance to balance the different interests of the owners, the family and the business
- Why family businesses are often resistant to change
- The different forms of natural governance commonly encountered in practice
- The Shared Purpose in a family business
- The importance of advisers understanding their family business client's Shared Purpose
- What should be done if there is no Shared Purpose
- How much transparency and accountability a family might want in how their family business relationships are governed.

By the end of this module you should be able to:

- Systematically explain family business governance and natural governance
- Explain that governance in successful family businesses is sometimes informal and depends on common understandings among the key stakeholders
- Review and assess how family businesses create governance to balance the different interests of the owners, the family and the business
- Demonstrate a mature understanding and awareness of the importance of advisers taking the time to understand the way in which a family business is governed



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- Reflect upon why family businesses are often resistant to change
- Articulate the importance of working with a system's natural resistance to changing the existing governance
- Undertake a detailed examination and discussion of the different forms of natural governance that are commonly encountered in practice
- Explain the Shared Purpose and know who creates it, the standard that it should be measured against and what should be done if there is no Shared Purpose
- Evaluate the importance of advisers understanding the client's Shared Purpose
- Engage in discussions with family business clients to facilitate their decision about how much transparency and accountability is acceptable for them.



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Module 5

OWNERSHIP GOVERNANCE

This module covers:

- How to help family business clients decide who can be an owner
- Arguments for and against ownership being restricted to bloodline family members
- The views surrounding the proposition that owners must work in the family business
- The attitudes of the value out owner to the custodian
- How the different attitudes to ownership might influence ownership policies such as sale of an ownership interest and payment of dividends
- How different ownership attitudes can be combined
- How the balance of decision making power can be changed to give the owners more influence
- The different types of influence that owners might wish to exert
- Decisions owners might wish to reserve
- The role and function of an owners' assembly and an owners' council.

By the end of this module you should be able to:

- Selectively identify key questions to be put to the family business client's attention when they are deciding who can be an owner
- Evaluate and discuss the arguments for and against ownership being restricted to bloodline family members rather than being extended to partners
- Critique the views surrounding the proposition that owners must work in the family business and they will not be allowed to own shares if they choose another career
- Compare the attitudes of the value out owner to the custodian



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- Analyse and present clear advice about how the different attitudes to ownership might influence other ownership policies such as sale of an ownership interest and payment of dividends
- Explain how different ownership attitudes can be combined
- Make reasoned and logical suggestions about how the balance of decision making power can be changed to give the owners more influence and decisions that they might want to reserve
- Review and assess the different types of influence that owners might wish to exert
- Systematically explain the role and function of an owners' assembly and an owners' council.



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Module 6

FAMILY GOVERNANCE

This module covers:

- The governance of the family sub-system and how it interacts with the ownership and business sub-systems
- The importance of family governance as part of the overall governance of a family business system
- The goals and tasks of family governance which can be broadly categorised as social, educational and formal
- Areas where it might be considered fair and practical to allow the family to influence policy either by consultation or approval
- The purpose and suggested contents of a policy on employing family
- The role and function of a family assembly and family council
- Who can and who needs to participate in family governance
- The scope of authority that might be conferred on the family assembly and family council and how decisions might be made
- How much transparency and accountability might be applied in respect of family governance
- The different types of family constitution that can exist and the advantages and disadvantages of these
- The significance of a codified family constitution.

By the end of this module you should be able to:

- Critique the governance of the family sub-system and how it interacts with the ownership and business sub-systems
- Analyse the importance of family governance as part of the overall governance of a family business system



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- Explain the goals and tasks of family governance
- Make reasoned arguments about where it might be considered fair and practical to allow the family to influence policy either by consultation or approval
- Discuss the purpose and suggested contents of a policy on employing family
- Systematically explain the role and function of a family assembly and family council
- Selectively identify and assess who can and who might need to participate in family governance
- Examine the scope of authority that might be conferred on the family assembly and family council to appropriately contextualise advice about how decisions could be made
- Make reasoned and logical suggestions about how transparency and accountability might be applied in respect of family governance
- Demonstrate confidence in identifying the different types of family constitution that can exist and discussing the advantages and disadvantages of each
- Evaluate the significance of a codified family constitution.



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Module 7

TRANSITIONS IN A FAMILY BUSINESS SYSTEM

This module covers:

- The importance of understanding the nature of change in family businesses and ways to help families through these transitions
- The Developmental Model
- The five stages of the Transitions Model
- Succession planning
- Resistance to change.

By the end of this module you should be able to:

- Demonstrate a deep understanding and respect for the nature of change in family businesses to be able to support families through transitions
- Critically evaluate the Developmental Model and explain that each part of the family business system tends to become more complex over time
- Explain and utilize the Transitions Model to understand and address the essential stages in a transition journey
- Analyse the five stages of the Transitions Model, articulating what happens at each stage and how an adviser can help a family business navigate successfully through them
- Evaluate the different triggers that move the family business into transition
- Make reasoned and logical suggestions regarding how an adviser can facilitate discussions about succession planning
- Explain that resistance to change is to be expected and that the advisor should work with the family business client to find an acceptable and effective solution



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