

Family Business EMBA in Odessa

FAMILY BUSINESS EMBA IS THE ONLY PROGRAM IN THE WORLD THAT TEACHES THE OWNERS AND MANAGERS OF FAMILY BUSINESSES HOW TO DEAL WITH AMBIGUOUS, CHARGED AND OFTEN KNOTTY ISSUES INVOLVING THE FAMILY AND BUSINESS.



Family Business EMBA Course in Odessa,
August 2010

Thirteen students and three lecturers visited Ukraine for the first time over an eight-day period in August 2010. Under the FB EMBA rules, each training module (nine in total) is conducted in the home country of one of the students and includes a mandatory visit to the enterprises of the host party.

The Europroduct Concern and its President Vladislav Burda hosted the FB EMBA in Odessa. In addition to training in the classroom, the participants also visited Europroduct stores and its central office.

Discussions were held on such issues as segmentation, pricing policy, branding and design as it applies to the Europroduct retail business.

GEORGE MANNERS, Professor of Accounting and Management:

“We considered the business strategy of a family-owned company based on the example of Antoshka. We then moved from strategy to the product level, a product like diapers. But there were certain themes that could be seen at each level. One of them was the family, while the second was financial knowledge. At that level, we provided them with extensive knowledge about how to submit an income statement, then we gave them insight on expenditures, conversion, income and how to maximize profit.”



KRISTI McMILLAN, Professor of KSU and FB EMBA lecturer:

“We spoke about family, dynamics, and how people interact with one another in their families and how it affects decision-making in a business ...and how to prepare the next generation for responsible ownership, a lot of was said about communication between generations.”



Vladislav Burda with Professor Joseph Astrachan
and Professor George Manners



FB EMBA participants Nicolas Bukaret (center, bottom) and Amin Hafez (center, top) were amazed by the Mega-Antoshka playground

After visiting the Europroduct Concern, AMIN HAFEZ, a Family Business EMBA student who owns refrigerator plants in Lebanon and Syria, admitted: “The quality of the service they offer is very high, and I was very impressed with it. I think if Ukrainians continue like this, they won’t have a problem joining the European market very soon, if they wish to.”

“Europroduct is amazing! I have kids and I remember when I was a kid we used to go to toy stores and for me it was like going to heaven. Mega-Antoshka is much better than anything I’ve seen before, the diversity they have there and services they have there. They have such nice services like a pediatrician and a children’s hairstylist. It’s an amazing place! Everything has been done with heart and soul here,” Amin said in comments about his visit to Europroduct and Mega-Antoshka in Odessa.

ANDREW KEYT, FBN USA Director and a FB EMBA student:

“We were very impressed with Europroduct. We managed to visit the office and a few stores and the thing I noticed was how much the environment of the company reflects its values. They serve children and there was a real sense of using a creative approach at the company as well. We were pleasantly surprised by the service model, with their creativity in bringing new ideas to the market place and their commitment to the family. It’s not often you see such a strong commitment to family in the first generation as Vlad has demonstrated.”

GEORGE MANNERS, Professor of Accounting and Management:

“Vlad’s commitment to family goes outside this family. It is his whole business strategy. He wants his suppliers, distributors and fellow retailers to all be family businesses. This is rare.”



Boris Burda showing the FB EMBA participants the sights of Odessa

The first day in Odessa was full of new impressions as VLADISLAV BURDA organized an excursion in the historic part of the city led by his father, Boris Burda, a member of the World Association of Clubs and a multiple winner of the *What? Where? When?* intellectual game.

The previous FB EMBA training module was held in Damascus. Odessa provides much more entertainment compared to Damascus. “It’s more fun here!” the program participants said with a smile. “It was difficult to keep the students in class. They wanted to go to the beach and they were enjoying the people,” Professor Astrachan said.

The professors and students had a very full entertainment program and visited new places every evening after lectures. The guests had an unforgettable experience at the Odessa Dolphinarium, where everyone swam with the dolphins, and at the Miss Odessa 2010 beauty contest. The family business owners and lecturers were the judges in the contest and Joseph Astrachan personally crowned the winner. They spent their last evening in Odessa at the Odessa Opera and Ballet Theater. The FBN forum participants and family business owners enjoyed the opera *Madame Butterfly* and then shared their impressions at dinner.

VLADISLAV BURDA comments:

“During the Family Business EMBA course in Odessa, we studied the fifth level of financial knowledge and a program that helps link processes within a corporation, such as the movement of goods and money. We spoke a lot about what needs to be done to get the perfect, ideal product. We even learned about it in practice when we visited Mega-Antoshka. We took a look at Emmaljunga strollers, the best stroller in the highest price segment, and discussed how it should be properly positioned.”



Professor Joseph Astrachan crowning the winner of the Miss Odessa 2010 beauty contest



Vladislav Burda with his sons Dmitry and Timofey and the FB EMBA participants at the Odessa Dolphinarium



The FB EMBA participants, along with the owners of Ukrainian family businesses, visiting the Odessa Theater of Opera and Ballet. Odessa, 2010

JOSEPH ASTRACHAN, who is considered the world's number one family business scholar, lived up to his informal status once again.

He told us that children should have clear expectations and they should know what is expected of them. If a child does something wrong, he or she must be told it was wrong. If a child does a good job, he or she should be praised. Parents should not react to different actions in the same way. Commenting on this issue, one mother who is an association member, said, "It's the other way around in Japan. Children are allowed to do whatever they want." Professor Astrachan replied, "Japan has had a deep recession over the last 15 years, so this is not the best example." Another mother said, "Things shouldn't be done like the way you teach, but like everyone else does it." And Joseph responded, "If you want your child to be poor like others, then you can use your approach. If you want to raise your child as a responsible owner, you have to teach and prepare the child to be a responsible owner. The child should understand what money is as well as the concepts of transactions and trade. These are basic things and important stages your child has to know." Professor Astrachan taught us all about these stages during the FBN forum.

He made a very interesting comparison that I liked. Professor Astrachan said: "How can I explain to owners what money is? Money is like a swimming pool.

If you let a child swim in a pool that is 20 meters deep and don't teach the child how to swim beforehand, the child will drown. It's the same thing with money. If you put a child in the world of big money and haven't taught the child how to use it properly, the child will likely do more harm to himself or herself than good. That is why you should view money as a pool. Make sure to teach your child how to swim before you put him or her in the pool."

During the course lectures, we looked at specific cases that could help us model our own business management situation, make decisions and recognize how best to move forward. This was the whole point of studying.

The program organizers decided during the FB EMBA session in Odessa to hold one of the next meetings here as well. This would be possible if some students from the same country take part in the next course. They could then consider making Odessa an alternative destination for family business studies so as not to return to the same host country.

Odessa is thus likely to become an important location on the family business map not just in Ukraine but on an international level as well. ■