

Contact: Rachel Boon

**REQUEST FOR NEW CENTER AT THE UNIVERSITY OF NORTHERN IOWA:  
FAMILY BUSINESS CENTER**

**Action Requested:** Consider approval of the request by the University of Northern Iowa to create the Family Business Center in the College of Business.

The Council of Provosts and Board office support approval of this request.

**Background:** The University of Northern Iowa has been offering a growing suite of services aimed at Iowa family-owned businesses for the past three years. Starting with pilot programming in 2018, UNI has continued to grow both programming and the number of families served through Family Business Programs. Now entering the fourth year of programming, staff have expanded this series by adding peer group services, family tours and an annual conference to the slate of offerings.

The UNI Family Business Center (FBC) will offer a comprehensive suite of programs and services to Iowa's family-owned companies. Family firms deal with a unique set of challenges and opportunities including succession planning, next generation development, governance, and other issues impacting the longevity of the firm. The FBC will focus on consulting, peer learning, events and networking opportunities to provide tools and resources. The mission will be committed to strengthening the viability and success of Iowa's family-owned businesses. The UNI Family Business Center wants to improve the outlook for family business success and longevity.

**Need for proposed center.** Family businesses are widely recognized as a powerful driver of economic growth - generating more than 64% of US GDP and 78% of all new private sector jobs. Family-owned businesses are often the economic engine for rural communities across Iowa. Research shows that only about 30% of family businesses survive to the second generation and only 12% are still viable to the third generation.

**Activities and objectives of proposed center.**

*Awareness/Education*

Most family businesses do not realize how unique they are and are unaware of the tools and processes available to them to promote family harmony and success. The FBC will use topical experts and Iowa families willing to share some of their experiences. One mechanism already in use is a workshop series focused on these topics. Panels of experts and multi-generational family leaders provide first-hand content to aid Iowa businesses in assuring the future of their enterprise.

*Leadership/Skill Development*

Peer learning is a critical component of family business interaction. It facilitates the sharing of best practices and helps families see that their issues are not unique. Development of the next generation of family business leaders is a key component of this programming. FBC will focus on family communication, succession planning, strategic planning and key areas of family business. Programming will include insights on trends and techniques that can be applied to a family business. Example topics include: managing family relationships, best practices in next generation training, succession planning issues, and family governance.

*Peer Learning*

Peer group programming has been around for almost a decade and focused on CEO leaders of Iowa firms. For the past three years staff have taken the success of that model and applied it to

next generation leaders of family companies. University-based Family Business Centers across the country use peer-learning groups to establish long-term relationships with clients. UNI is already doing this very successfully with three CEO peer groups running in various parts of the state, with three Next Generation groups added to help broaden the offering. Participants in this programming continue to provide feedback about how they appreciate hearing real world experiences from their colleagues.

Staff also offer a legacy peer group for retiring and retired executives of family businesses. The retiring generation has a powerful role to play in helping shape family vision and values. This program allows the outgoing generation an opportunity to learn from their peers and bring ideas and best practices back to their families.

#### *Ecosystem Building/Networking*

A unique benefit to involvement in the UNI FBC is the opportunity to network with other family business leaders, family business experts, and other service providers. Through the 30-plus-year history of working with small businesses in Iowa, it has been clear that business owners like to learn from their peers.

UNI FBC will provide opportunities both in-person and virtually for those connections and the sharing of knowledge and experience. This includes networking opportunities for families to meet speakers and service providers that specialize in family business topics. In addition, UNI supports a virtual networking platform to facilitate service and access to all parts of Iowa.

#### *Academic Programming*

The University of Northern Iowa is well positioned to offer academic programming focused on areas critical to business families. Offerings could include leadership development, communication, and entrepreneurship. Academic programs will be focused on developing the next generation of family leaders.

FBC plans to work across disciplines with various colleges at UNI, including the College of Business and the College of Social and Behavioral Sciences. Programming will appeal to various business majors as well as those in sociology, psychology and family sciences. Academic programming will be available to all students to enhance their experience and develop knowledge that can be taken back to family businesses.

Relationship to mission and strategic plan. The UNI FBC aligns directly with the current University of Northern Iowa Strategic Plan. With the unifying goal of student success, one of the FBC's areas of focus is to provide experiences and opportunities for UNI students involved in the program primarily through the College of Business. Students gain real-world experience through engaged learning and developing relationships with family-owned businesses. Students participate in programming via research, event planning, marketing and consulting support.

The UNI FBC is well positioned to assist the University by providing student experiences outside of the classroom. Students will have opportunities to experience and connect with Iowa family businesses. They will gain advance knowledge and experience through high impact case studies, internship experiences and other interactions with Family Business Center members.

The third goal of the UNI strategic plan is community engagement. The first initiative within this goal includes building and strengthening relationships with businesses statewide. The UNI FBC will function as a vital part of that effort by engaging with the family business community across the state, many that would not otherwise have a reason to connect with UNI.

Relationship to other centers/institutes at the university. The FBC will need to leverage collaborative partnerships with various areas of the university to execute on its purpose, such as the UNI College of Business, UNI Business and Community Services, and Advance Iowa. It is likely that FBC will work with the College of Social and Behavioral Science in the areas of sociology, psychology and family sciences. The work with business families will increase the awareness of the University's other programming including Business and Community Services offerings as well as academic programs.

Relationship to centers/institutes at other universities in Iowa and potential for collaboration. The FBC will collaborate with Colleges of Business and John Pappajohn Entrepreneurial Centers at the University of Iowa and Iowa State University. FBC will collaborate extensively with other institutions, including the other universities and state level agencies. This area focused on family business needs is not currently being addressed by any of them.

Resources, facilities and equipment required. The UNI Family Business Center will require a director for center leadership and strategic direction. In addition, it will require direct program support in terms of a program manager, marketing and promotions roles. All of these positions exist in the current Family Business Program.

Part-time administrative roles will also need to be filled to support events and business operations. Initially, Business and Community Services will provide the administrative support necessary for the success of the proposed Center. By year three, we plan to increase staffing to include a program manager and internal administrative support to grow the program.

The FBC will require a small amount of professional space to house staff, This space is already identified and available within the UNI Business and Community Services building. Events and functions will happen at third-party sites across the state to provide convenience and flexibility to Iowa's family-owned businesses. Much programming will be offered virtually to allow easier access for families across the state.

Expected funding sources. The FBC currently receives a portion of UNI's Economic Development appropriations from the Iowa legislature. Membership fees and sponsorships are also committed. Grants and philanthropy will be used to grow the FBC in years three through seven.

All funds for the first two years are secured and 93-96% of the budget is secured for years three through seven. The additional funding will be secured through grants to foundations or federal grant opportunities.

Evaluation plan. The Center will be evaluated on the Board's standard seven-year cycle with annual oversight within UNI.

Date of implementation. Upon approval by the Board of Regents.