



PEAK HOTEL CASE STUDY

 **LYSSES**

DIGITAL STUDENT COMPETITION ON FAMILY BUSINESS



Erasmus+



Funded by
the European Union



1. SLOGAN/TAKE AWAY MESSAGE

This case study shows that the right communication is a key factor for business succession in family firms. It shows the intergenerational communication and succession challenges that can occur in family businesses.

2. KEYWORDS

- Succession Planning
- Family Business
- Tourism
- Intergenerational Conflict
- Hotel

3. ABSTRACT

A family that runs a four-star hotel called Peak in the Austrian Alps has challenges with regard to family firm succession. The family firm is currently in its second generation, and the owners, Perry and Patricia, want to develop a plan to hand the business to the next generation. The entrepreneurial family is dealing with change and transformation processes among the family members. This case supports students at both undergraduate level and graduate level to consider options and issues in the succession planning of family firms. It provides the opportunity to identify and discuss options with regard to the succession plan, but also identify and evaluate potential succession planning strategies for the family firm. Students will consider how successors and predecessors communicate during the succession process and which ways they use to solve intergenerational communication conflicts and misunderstandings.



4. QUESTIONS

- (1) What are the options for succession within the family business? Compare and contrast the options with regard to their advantages/disadvantages.
- (2) What is the optimal choice for succession? What would a timeframe for the succession plan look like? What should the plan propose in detail? What are the central milestones? What would be the stages of a successful succession process?
- (3) What communication styles are used by the involved characters? Describe the communication styles and resulting conflicts among the different characters.
- (4) How could the characters improve their communication? Describe how the different parties can implement better communication strategies and decrease conflicts.

5. INTRODUCTIONS FOR STUDENTS

- (1) Please read the case carefully and make yourself familiar with the family and Peak and the challenges they are facing.
- (2) Do research about intergenerational communication and work on a solution on how the family could improve their communication.
- (3) Do research about family firm succession and think of an optimal choice of succession planning with integrating all the family members and which strategy they could apply to ensure a successful succession and the sustainability of the family business. Propose governance mechanisms for this purpose.



6. EVALUATION

6.1 WRITTEN SOLUTION

- (1) The assessment is based on how the team was able to identify the problem/crisis/issue, defines clear and comprehensive aims on how to solve it and describes its approach and the reasoning behind it.
- (2) The assessment is based on the form and structure of the final output and if its presentation is creative (editing, tools used, design, attractiveness), comprehensible (red line), follows academic standards (citations) and uses adequate language.
- (3) Furthermore, the assessment takes into consideration if the team's solution provides an added value for the family business and its members.

6.2 VIDEO SOLUTION

- (1) The evaluation takes into consideration if the team's solution provides an added value for the family business and its members.
- (2) Moreover, the evaluation concerns the form and structure of the final output and if its presentation is creative (editing, tools used, design, attractiveness), comprehensible (red line), follows academic standards (citations) and uses adequate language.
- (3) In addition, the structure and outline of the presentation and working with others will be evaluated.

7. REFERENCES

Burböck, B., & Krenn, W. (2014). Asymmetric influence on satisfaction in the takeover-process of SMEs in Austria. *Advances in Business-Related Scientific Research Journal*, 5(2), 99–109.

Davis, P. S., & Harveston, P. D. (1998). The influence of family on the family business succession process: a multi-generational perspective. *Entrepreneurship Theory and Practice*, 22, 31–54.

Davis, P. S., & Harveston, P. D. (1999). In the founder's shadow: Conflict in the family firm. *Family Business Review*, 12, 311–323.



- Harvey, M., & Evans, R. E. (1994). Family business and multiple levels of conflict. *Family Business Review*, 7, 331–348.
- Kraus, S., Märk, S., & Peters, M. (2011). The influences of family on the everyday business of a family firm entrepreneur. *International Journal of Entrepreneurship and Small Business*, 12(1), 82–100.
- Lansberg, I., & Astrachan, J. H. (1994). Influence of family relationships on succession planning and training: the importance of mediating factors. *Family Business Review*, 7, 39–59.
- Muskat, B., & Zehrer, A. (2017). A power perspective on knowledge transfer in internal succession of small family businesses. *Journal of Small Business & Entrepreneurship*, 29(5), 333–350.
- Mussolino, D., & Calabró, A. (2014). Paternalistic leadership in family firms: Types and implications for intergenerational succession. *Journal of Family Business Strategy*, 5, 197–210.
- Schlepphorst, S., & Moog, P. (2014). Left in the dark: Family successors' requirement profiles in the family business succession process. *Journal of Family Business Strategy*, 5, 358–371.
- Sharma, P. (2004). An overview of the field of family business studies: current status and directions for the future. *Family Business Review*, 17(1), 1–36.
- Sund, L. G., Melin, L., & Haag, K. (2015). Intergenerational ownership succession—Shifting the focus from outcome measurements to preparatory requirements. *Journal of Family Business Strategy*, 6, 166–177.
- Zellweger, T.M., Kellermanns, F.W., Chrisman, J. J., & Chua, J. H. (2012). Family control and family firm valuations by family CEOs: the importance of intentions for transgenerational control. *Organization Science*, 23(3), 851–868.

8. ACKNOWLEDGEMENT

This case study is based on a previously published case study by Zehrer et al. (2020). To download the case study please follow:

Zehrer, A., Leiß, G., Krusekopf, C., & Wilsonmah, R. (2020). The Peak Hotel – The Challenge of Succession and Family Firm Continuity. *The International Journal of Instructional Cases*, 4, 1-9. <https://ijicases.com/article-view/?id=20>





Disclaimer: The European Commission's support for the production of this publication does not constitute an endorsement of the contents, which reflect the views only of the authors, and the Commission cannot be held responsible for any use which may be made of the information contained therein.

Ulysses Contest – Digital Student Competition on Family Business

2020-1-HU01-KA226-HE-094138

 **ULYSSES**
DIGITAL STUDENT COMPETITION ON FAMILY BUSINESS