

## SELECTED READINGS

**Avila, Stephen M.; Ramon A. Avila; and Douglas W. Naffziger.** (May 2003). A Comparison of Family-Owned Businesses: Succession Planners and Nonplanners. *Journal of Financial Service Professionals*, vol. 57, no. 3, pp. 85–92.

*This study compares family-owned businesses that had a business succession plan with those that did not have a plan. Survey results indicate that a succession plan can affect business transition, tax planning, and the ownership structure.*

**Baird, Douglas G.; and Edward R. Morrison.** (December 2005). Serial Entrepreneurs and Small Business Bankruptcies. *Columbia Law Review*, vol. 105, no. 8, pp. 2310–68.

*Chapter 11 is thought to preserve the going-concern surplus of a financially distressed business. However, the typical Chapter 11 debtor is a small business whose assets are rarely enough to pay tax claims. This article discusses the implications of Chapter 11 bankruptcy to those entrepreneurs who do not wish to stay with their business but instead are more interested in other opportunities.*

**Brodzinski, Carrie.** (June 13, 2005). ESOP's Fables Can Make Coverage Risky. *National Underwriter/Property Casualty Risks & Benefits Management*, vol. 109, no. 23, pp. 16, 44.

*This article focuses on employee stock ownership plans (ESOPs) that invest solely in employer stock. These plans can be risky for employers and employees and are often misunderstood. Important issues related to these plans are discussed.*

**Davis, James.** (May 2003). Staking Your Life on a Betting Future. *Accountancy*, vol. 131, no. 1317, pp. 54–56.

*The author in this article provides a discussion of the factors that need to be considered before implementing a management buyout. The article includes a discussion of the role of the board of directors, management presentations, and due diligence.*

**Hoffman, John.** (Summer 2008). Planning Early Will Maximize Return from a Liquidity Event. *Family Business*, pp. 32–37.

*Timely planning is important during a buyout by private-equity firms, strategic buyers, financial buyers, or publicly traded firms. To be prepared for such an event, the author recommends including financial advisors, business associates, and a trusted network of friends to coordinate the process so that specific goals can be met in the sale negotiations.*

**Jackson, Kirk.** (July 2005). Case Study of a Succession Plan. *Journal of Financial Planning*, vol. 18, no. 7, pp. 39–42.

*This article relates the experiences of the author in succession planning. It is a case study of the author's family business and how various conflict situations led to decisions for succession of the business.*

**Latham, Scott.** (April 2009). Contrasting Strategic Response to Economic Recession in Start-Up versus Established Software Firms. *Journal of Small Business Management*, vol. 47, no. 2, pp. 180–201.

*Economic recession, especially among small firms, can be a significant factor in survival. This study surveyed 137 software executives regarding their strategic response to the recent economic downturn. The results suggest that small firms tend to use revenue-producing strategies to combat economic recession whereas larger firms tend to pursue cost-cutting strategies.*

**Maddy, Monique.** (2000). Dream Deferred: The Story of a High-Tech Entrepreneur in a Low-Tech World. *Harvard Business Review*, vol. 78, no. 3, pp. 56–69.

*Monique Maddy discusses the important lessons that the failure of her start-up, Adesemi, taught her about starting a business in an emerging-market country.*

**Phillips, Edward A.** (Winter 2006). Bankruptcy Law: Changes in Protection Make Planning Critical. *CPA Journal*, vol. 76, no. 4, pp. 1–4.

*This paper provides in-depth discussion and analysis of the impact of the new bankruptcy laws on accounting issues. The author discusses the importance of planning in the process. Each area that needs to be considered in this plan is discussed.*

**Shepherd, Dean A.; Evan J. Douglas; and Mark Shanley.** (2000). New Venture Survival: Ignorance, External Shocks, and Risk Reduction Strategies. *Journal of Business Venturing*, vol. 15, no. 5–6, pp. 393–410.

*The authors develop a model to explain new venture failure. The theoretical model argues that risk of failure is largely dependent on the degree of novelty (ignorance) associated with a new venture—novelty to the market, novelty to the technology of production, and novelty (experience) to management.*

**Shepherd, Dean A.; and Andrew Zackarakis.** (2000). Structuring Family Business Succession: An Analysis of the Future Leader's Decision Making. *Entrepreneurship: Theory & Practice*, vol. 24, no. 4, pp. 25–39.

*This article examines the perception of potential family business leaders from a behavioral economics theory perspective. The authors argue that founders should structure succession so that the future leader incurs both financial and behavioral sunk costs as well as hold the future leader to stringent performance requirements prior to the succession.*

**Warren, Elizabeth; and Jay Lawrence Westbrook.** (February 2009). The Success of Chapter 11: A Challenge to the Critics. *Michigan Law Review*, vol. 107, no. 4, pp. 603–41.

*Nearly all troubled companies choose Chapter 11 over Chapter 7 liquidation. Many of these firms are eliminated in the early screening and are forced into liquidation. The new regulation that shortens the time under court control has prevented many small businesses from being able to reorganize. Data indicate that small businesses were more successful in reorganizing under the old regulations than under the new stricter regulations.*