Lebanese American University

Institute of Family and Entrepreneurial Business

School of Business

Byblos Campus

Under the Patronage of

H.E. Minister Adnan El Kassar,

Minister of Trade and Economics,

The Lebanese American University announces its program on:

Crisis Management and the Reinvestment of Family Assets

The program will be held at the Lebanese American University- Byblos campus, from March 16 till 19, 2005.

The full program will be as follows:

Wednesday March 16, 2005: Pre-conference Workshop on:

“Strategic Management for Family Firms in Crisis: Improving Performance with Systems Thinking”

The program focuses on Transgenerational Entrepreneurship: Building Strategy focused families and organizations for continued Growth and Learning. This interactive seminar will include an overview and presentation by the workshop leader **Dr. David Pistrui**, as well as an active exchange and discussion by session participants.

Thursday March 17, 2005 : Conference on:

“ Crisis Management and the Reinvestment of Family Assets”

Friday and Saturday, Match 18, and 19, 2005: Seminar on:

"Profit Improvement, Crisis Management and the Reinvestment of Family Assets"

The Institute of Family and Entrepreneurial Business at the Lebanese American University announces its program on “**Crisis Management and the Reinvestment of Family Assets”**. The objective of the program is to help Family Businesses:

1- Analyze the under performing company
2- Identify sources of corporate fraud
3- Financial and strategic restructuring of family businesses
4- Governance by using a Board of Directors; Board of Advisors.
5- Reinvesting family assets in operating companies.

The program will start with a one-day conference with the participation of prominent speakers from Lebanon, the Arab world, the US. and Europe, and a two days seminar entitled: "**Profit Improvement, Crisis Management and the Reinvestment of Family Assets**" with **Gary Brooks** a crisis management consultant.

The seminar will be an ideal place to discuss the current problems organizations are facing. It would be encouraged to have one or more members who attend, present examples and cases with which they are now dealing for class analysis and discussion.

Crisis Management and the Reinvestment of Family Assets

SCHEDULE

Sessions are scheduled daily from 9:00 a.m to 4:00 p.m, with short coffee breaks and a one-hour lunch break between lectures.

The four days schedule will be as follows:

Pre-Conference Workshop, Wednesday March, 16, 2005

“Strategic Management for Family Firms in Crisis: Improving Performance with Systems Thinking”

The program focuses on Transgenerational Entrepreneurship: Building Strategy focused families and organizations for continued Growth and Learning.

Entrepreneurship has been embraced worldwide by individuals, families and organizations as the engine of socio-economic prosperity, growth and change. Entrepreneurial thinking and leadership is at the forefront of the creation of new enterprises, the succession and continuity of family and privately controlled businesses and the sustained competitive advantage of large and small corporations. Creating and fostering an entrepreneurial mindset across generations is central to effective strategic execution, innovation, growth and business continuity.

This interactive seminar will include an overview and presentation by the workshop leader **Dr. David Pistrui**, as well as an active exchange and discussion by session participants.

The Workshop Will Focus On:

1 - Defining and operationalizing entrepreneurship and exploring the impact it has on family and business dynamics across generations.

2 - Encourage the identification of family and non-family entrepreneurial Opportunities in the participants’ organizations through the presentation of the Acumen Scorecard Framework for balanced growth and learning.

3 - Empower action through the exchange of ideas, concepts and reasoning which can be employed to foster entrepreneurial thinking, family well-being, and sustained competitive advantage.

Attendees can expect to learn practical and conceptual expertise in order to:

Define - entrepreneurship and family and closely held businesses in different cultural and organizational contexts

Gain - insights into the role and forms of entrepreneurship prevalent in successful family and closely held businesses and non-family businesses around the world

Promote - the understanding of how entrepreneurship can foster family unity and business growth

Identify - and define the central attributes, characteristics and dimensions of an Entrepreneurial Mindset

Apply - processes, systems, and frameworks to build a balanced approach to family and closely held business development and profitability

Pinpoint - entrepreneurial opportunities for growth and learning in your business, family, organization, and community

Conference Thursday, March 17, 2005

9:30 Registration

10:00- 11:00 Opening Ceremony-

-Dr. Josiane Fahed-Sreih
Director- Institute of Family and Entrepreneurial Business-LAU
-Dr. Wassim Shahin
Dean –School of Business- LAU
-Dr. Abdallah Sfeir
Vice president for Academic Affairs
-Mr. Marwan Assaf
Chairman- Advisory Board of the Institute
- H.E Minister Adnan El Kassar
Minister of Trade and Economics

11:00 - 11:30 Coffee Break

11:30 –1:00 Crisis Management

Chair: Dr. Salpie Djoundourian, Assistant Professor of Economics- Lebanese American University

"Strategic Management for Family Firms in Crisis: Improving Performance with Systems Thinking"
Dr. David Pistrui- Visiting Professor, Department of Management- DePaul University, USA
Managing Director,
Acumen Dynamics.

"Allocating Decision Making Structures during Crisis and Protecting the Family Business"
Dr. Josiane Fahed Sreih- Director Institute of Family and Entrepreneurial business- LAU

" Interim Crisis Management"
Gary Brooks- Crisis Management Consultant

"Taking the Business Forward: Carrying out a Continuity Audit"
Mr. Camille Sifri, Consultant, Lebanon
Stuart Making, Lead Consultant, Switzerland
Amin Nasser- Partner, Family Business Forum, UAE
Price Waterhouse Coopers

1:00-2:00 Lunch Break

2:00- 3:30 Government Sector

Chair: Dr. Wassim Shahin, Dean, School of Business
Lebanese American University

-"Asset Management and the Creation of Wealth"
Dr. Youssef El Khalil-
Central Bank of Lebanon

- " Government Support for Private Sector Economies"
Dr. Khater Abi Habib

-“ Diagnosis and Field Observation Study on Private Sector Economies”
Mr. Roger Melki

3:30- 4:30 Middle East Case Studies

Chair : Dr. Josiane Fahed Sreih, Assistant Professor of Management- Director, Institute of Family and Entrepreneurial Business- Lebanese American University

“ Al Mullah Experience”-
Danah Anwar Al Mulla- Kuwait

“Managing Investments in the Family Company- A Case Study”
Mr. Mazen Darwazah- Hikma Co. Jordan

-“Crisis Management and the Need for Governmental Support”
Mr. Atef Idriss- Founder of Al- Wafic for Economic Development & CEO of MEFOSA SARL.

“Restructuring and Reinvestment of Family Assets from a Legal Perspective”
Nisreen Haram Basheir- International law Offices for Petra travel and Tourism Co- Jordan

3:30 –3:45 Coffee Break

3:45- 4:45 Wealth Management and the Creation of the Family Office

Chair: Dr. Josiane Fahed Sreih

“Overcoming the Hurdles at Tinol- A Case Study”
Wafa Saab- Tinol- Lebanon

“ Mercedez Middle East Operations- Case Study”
Nadim Gharghour- Gharghour Establishment- Mercedes Co. Jordan

“Taking the Business Forward- A Case Study”
Khalid Mannai- Mannai Corporation- Qatar

Mr. Khalid Rashid AlZayani, Chaiman
Al Zayani Investments- Kingdom of Bahrain

“ Preserving and renewing family wealth”
Andrew Hope- Morley
Member of Management, Head of Family Office Advisory
HSBC Private Bank- Switzerland

“ Going public and raising capital, assessing the advantages of tapping the market and debating the barriers to listing”
Basil Ghalayini, CEO- BMG Financials

Seminar Schedule with Gary Brooks

Friday, March 18, 2005

Businesses do not fail precipitously, and the symptoms of failure can be seen long before a crisis is reached. The only time a company has surplus cash is when being liquidated.

The seminar outline will be as follows:

PART I - ANALYZING THE UNDERPERFORMING COMPANY

- The Balance Sheet
- Balance Sheet Related Ratios
- Early signs of Deterioration-SYMPTOMS
- Falling current ratio
- Deteriorating liquidity (quick ratio)
- Increasing use of credit lines (increasing leverage)
- Income Statement
- Costs of Goods Sold
- Operating Profit (EBIT)
- Income Statement Ratios
- Early Signs of Deterioration: PROBLEMS
- Income Statement
- Key Operating Ratios-Use of Cash
- “Z” Score: a bankruptcy prediction model.

AN EXAMPLE USING SAMPLE COMPANY INFORMATION

- Trend Analysis
- Benchmarking
- Signs of Trouble: Crisis Phase

PART II- RESTRUCTURING THE FAMILY BUSINESS: UNIQUE PROBLEMS-COMPLEX SOLUTIONS

- Why/When to Restructure?
- Required Resources
- Restructuring expectations
- Characteristics of the Family Business
- Difficult Competitive Environment
- Troubled Family Businesses:
- The Community Reacts
- Personal Risks
- Lessons Learned: You can not grow out of a crisis.
- The Troubled Business: Patterns of Deterioration
- Other Signs of Trouble: Crisis Phase
- VALUES of a Structured Workout
- Barriers to an Effective Restructuring
- The Restructuring Plan
- The Restructuring Process
- Defining the points of profit leverage
- Basic Analyses
- CASE EXAMPLE
- Top Issues Facing Company
- THE STRATEGY
- Refinancing
- Tracking the plan
- Human Complexities

Saturday, March 19, 2005

PART III- REINVESTING FAMILY ASSETS IN OPERATING COMPANIES

- Investor Perspective
- Investment opportunities: need to manage complexity and risk.
- Risk characteristics of mid-sized companies:
- Incomplete information
- Limited risk evaluation
- Family Objectives

- The family investment statement.
- Decision criteria:
- Is final decision based on fact or emotion?
- Due Diligence
- Risk profile and quantifying potential risks.
- Lifecycle stage of target.
- Analytical tools:
- True cash requirements to meet investment objectives?
- Can expectations be met?
- Core Issues
- Operating and financial changes:
- Management decisions not based on knowledge of costs and understanding of cash.
- Future success relies on strategic shifts outside core strengths:
- Systems infrastructure.
- Management skill.
- Developing the Plan
- Risk Assessment
- Contingency Plan:
- Warning signs
- CASE EXAMPLE
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- CASE EXAMPLE

PART IV- GOVERNANCE

- Board of Directors
- Constituencies served
- Responsibilities
- Composition of the Board
- Independence of audit and compensation committees
- Director selection
- Legal Issues
- New York/International Stock Exchanges
- Independence of compensation committee
- Code of Business Conduct and Ethics
- Regulatory obligations
- Trust funds (employee taxes; sales taxes; pension contributions)
- Risk Management
- Active involvement in board affairs
- Proper oversight
- Fraud prevention
- Advisors versus Directors

PART V- CORPORATE FRAUD: WHERE TO LOOK?

- Reasons for the escalation of Fraud.
- Factors influencing discovery
- Invalid business plan.
- Poor performance vs. plan.
- Unnecessary complexity within the organization
- Complex supply chains.
- Unintelligible and late reporting.

FACULTY

Dr. David Pistrui is a Visiting Professor in the Department of Management at DePaul University, Chicago, Illinois USA. With over 20 years of business experience, Dr. Pistrui serves as an educator, advisor and consultant to family & closely held businesses, global corporations, and not-for-profit organizations. The following examples serve to illustrate the depth of his experiences.

First, as the Managing Director of Acumen Dynamics, LLC, Dr. Pistrui has led the development of a strategy based education training and research firm that focuses on practical knowledge and skills that help organizations align vision and strategy with execution and performance. Dr. Pistrui has developed a series of solution based tools and techniques focused on identifying, developing, and assessing strategic growth opportunities. Dr. Pistrui develops both general business management tools as well as special programs focused on specific issues confronting organizations.

Second, as the Director of Sales for VideoCart, Incorporated, Dr. Pistrui worked on the global development of the first "real time micro marketing network" linking consumers, retailers, and manufacturers. Activities included the development of electronic promotion and couponing programs, consumer research studies, and the development of strategic alliances with venture capitalists and investment groups.

Third, Dr. Pistrui served as Mid-West Regional Vice President, and Chicago District Manager with Time, Incorporated (Time Distribution Services, Inc.). Responsible for a quarter of a billion dollars of newsstand magazine business, Dr. Pistrui's turn-around strategies advanced the fifteen-state Mid-West Region and Chicago District from last place to consistent top tier national performance. While at Time, Incorporated, Dr. Pistrui led a team of six district managers and a field staff of 175 full and part-time employees. In 1985 Dr. Pistrui was inducted into the *Sports Illustrated Newsstand Hall of Fame.*

Dr. Pistrui has held a number of scholarly appointments in the US and Europe. He served as the founding Managing Director of the Wharton Enterprising Families Initiative, in the Wharton School, at the University of Pennsylvania. In addition, Dr. Pistrui held the Raymond Chair in Family Business, and served as the founding Director of the Center for Family Business and Entrepreneurial Leadership at Alfred University (Alfred, NY).

Dr. Pistrui is also an active researcher focusing on the growth and societal impact of entrepreneurship, family business and enterprise development. He is the co-author of groundbreaking work including, *Growth Intentions and Expansion Plans of New Entrepreneurs in the Former Soviet Bloc* (Ashgate, 1997), *Characteristics and Attributes of New Chinese Entrepreneurs and Their Enterprises,* (Business Forum, 2001), *A Millennium Perspective on Family Business Research,* (Family Business Review, 2002-03), and *Entrepreneurship in the new Germany,* (Ashgate, 2003).

Dr. Pistrui served on the Board of Directors, Executive Committee, and was Vice President, of the Family Firm Institute (Boston, MA, 1998-2001). He served as Program Chair, for the Family Firm Institute 2000 Annual Conference (Washington, DC). He is Book Review Editor and has served as Special Issue Co-Editor of *Family Business Review.* Dr. Pistrui appears frequently on TV and radio programs. He often provides commentary to business publications and the popular press having appeared in CNNfn, INC. Magazine, Chicago Tribune, Bahrain Tribune, Alwasat, Rochester Business Journal, Buffalo Business First, the Illinois Entertainer and Screen Magazine.

Dr. Pistrui holds a Ph.D. in Business Administration (Cum Laude) in Entrepreneurship, Strategy, and Management from Universitat Autonoma de Barcelona, (Spain), and a Ph.D., in Sociology from the University of Bucharest, (Romania). He earned a Master of Arts in Liberal Studies degree from DePaul University, Chicago, and a Bachelor of Business Administration in Marketing and Economics from Western Michigan University.

Gary Brooks, CMC, CTP

Gary Brooks, CMC, CTP is nationally recognized as a turnaround and crisis management professional. He has over 35 years of diversified executive management and consulting experience. Currently, he serves as Chairman and Chief Executive Officer of Allomet Partners, Ltd. He has counseled and provided interim management services to more than 200 companies. Clients are referred principally by those who may be at financial risk (e.g. lenders, investors, directors, etc.) if an enterprise fails to meet performance expectations and by members of the professional community. In addition to restructuring and interim crisis management services, Allomet offers extensive pre-transaction due diligence services to facilitate loan and investment decisions and post transaction integration and performance enhancement support.

Mr. Brooks was a founding member of the Turnaround Management Association (TMA), and a member of its Board of Directors for eight (8) years. He also served as Director and as national Chair of the Institute of Management Consultants (IMC). He was graduated from the Massachusetts Institute of Technology having majored in Biochemical Engineering and Industrial Management and received an MS degree from the University of Rochester (NY) in Chemical Engineering and

Operations Research. Credentials include election as a Certified Management Consultant (CMC) and as a Certified Turnaround Professional (CTP). He is also listed in Who's Who in America.

His career affiliations include the General Electric Company, Eastman Kodak Co., Vice President of Operations for a U.S. subsidiary of Agfa, and as Division Executive managing a subsidiary of the Scott Paper Company. Prior to the formation of Allomet Partners, he managed the New York office of an international firm specializing in strategic planning and technological forecasting and for 8 years served as Managing Principal of a major New England based turnaround consulting firm. Currently, he sits on the Board of Directors of Diomed Holdings, Inc. (AMEX) and on the investment committee of the Community Development Venture Capital Alliance. He also served as a Director of Boundless Technologies, Inc. (AMEX).

Mr. Brooks writes frequently for publication in Journals serving the profession and lectures often, having spoken to the Family Firm Institute, Bankruptcy Section of the Connecticut Bar Association, Regional Conference of Robert Morris Associates (bank loan and credit officers), Financial Management Association, and at numerous Chapter and National meetings of TMA. He has also served as Visiting Professor at Schools of Business Administration of the University of Massachusetts-Amherst, Long Island University, Pace University and the University of Rochester.

COST

The cost per participant for the four days program will be:

Enrollment in the pre-conference Workshop alone: $200
Enrollment in Conference alone: $ 100 U.S. Dollars
Enrollment in Seminar alone: $ 550 U.S. Dollars
Enrollment in the complete program = $800 U.S. Dollars

Each amount covers seminar reading material, tuition, stationery, lunches and coffee breaks.

Participants are asked to complete the enclosed **Program Application Form** and return it to the Institute, **as soon as possible**, by fax or by e-mail.
Kindly enclose the course fee with your application, payable by:

1. Check to the order of the "Lebanese American University - IFEB"

2. Bank transfer to Byblos Bank - Byblos Branch, (USD) Account number: 30.02.252.373689.0 Ref: Lebanese American University - IFEB

3. Bank transfer to Audi Bank - New York Branch, Account number:

613976-422-01-002
Ref: Lebanese American University - IFEB

4. Credit card facilities are available at the Business Offices.

Please make sure that the reference "IFEB" is mentioned on all kinds of payment modes.

Applications are accepted subject to place availability.

ACCOMODATION

Hotel Accommodation is available for the participants and their spouses for the duration of the workshop, conference and seminar at discounted rates of $50 per day including breakfast. Contact directly the Byblos sur Mer Hotel at :961-9-54 12 17 or 961-9-54 03 56 for reservation, and mention LAU- IFEB program for discounted rates.

CERTIFICATE OF ATTENDANCE

Each participant will receive a certificate of attendance.

VENUE

The Lebanese American University, will host the event on the Byblos Campus, Science Building, conference room 606.

POTENTIAL PROGRAM PARTICIPANTS

Participation in this program is open to family members and executives of family owned businesses. More than one member of the family is encouraged to participate. The pre-conference workshop on Strategic management is also suitable for top executives of big corporations.

APPLICATION AND REGISTRATION

For more information regarding applications and registration, please contact:

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