John Smith, MBA ’74, and his wife, Dyan, believe education is key to founding and fostering family businesses across generations.

By Shannon Dortch

Cornell University and its graduate business school made a big difference for John Smith, MBA ’74, and perhaps an even bigger difference for the family business, to which he returned after earning his MBA. For while Smith was studying at the then Graduate School of Business and Public Administration (BPA), he became convinced that federal deregulation of his family’s freight trucking business was inevitable.

“You have no concept of what the competitive pressures are going to bring on your business in deregulation,” said Smith. “I met the right professors at Cornell, who convinced me that this was going to happen, and we’d better be prepared.”

Education and the preparation it inspired paid off, and today, CRST International of Cedar Rapids, Iowa, is among the ten largest U.S. truckload concerns. And of equal importance, the company remains a family business. Their wish for family businesses of all kinds to be owned and operated by subsequent generations moved the Smiths to make a $10 million gift to Johnson to found the John and Dyan Smith Family Business Initiative.

“It is in the best interest of family businesses and the country for these businesses to be carried on for many generations,” said Smith. “With a focus on

John Smith, MBA ’74, and his wife, Dyan Smith, made a $10 million gift to Johnson to found the John and Dyan Smith Family Business Initiative. John is chairman of the board of CRST, one of the largest privately held transportation companies in the United States.
family businesses at Johnson, good research will be conducted, educational seminars will address the unique needs of family businesses, and prospective students will be drawn to Johnson because of the family business expertise on campus.”

“One of the main reasons we are moving forward with CRST remaining within our

family businesses are the most common type of business on the earth, particularly in developing countries,” Sine said. “The greater the extent to which we help family businesses across the globe be more successful, the greater our relevance and the larger our impact.”

Recognizing that family businesses are the foundation of economic growth worldwide,

family is because of education,” added Dyan Smith. “The initiative is the next step to putting Johnson in the forefront of family business management.”

The Smith’s son Ian, currently earning his MBA at Johnson, is among many students from family businesses who have joined Johnson over the past several decades — a trend that Soumitra Dutta, the Anne and Elmer Lindseth Dean, expects to continue.

“With the Smiths’ generous gift, we can now put in place a systematic program to help prepare students for starting, scaling, and managing a family business,” Dutta said. “The Smith Family Business Initiative will have a profound and lasting impact on family business and graduate business education at Johnson and Cornell.”

The Smith Family Business Initiative is likely to be a game-changer for Johnson and for Cornell, both in the U.S. and the world, said Wesley Sine, faculty director of Johnson’s Entrepreneurship and Innovation Institute.

Johnson is moving forward quickly with both research and new and innovative curriculum specific to them. Sine is currently developing the Smith Family Business Initiatives’ first two programs — a course that will focus on the benefits and challenges that are specific to family businesses; and the Smith Family Distinguished Family Business Lecture Series, which will bring executives from the world’s most successful family businesses to the Cornell campus.

Ian Smith, MBA ’14, will likely graduate before the Smith Family Business Initiative is in full swing. That doesn’t concern his parents, though, who already see how Ian’s Cornell graduate education will help advance CRST International. Ian plans to join the board of directors of the company immediately upon graduation and immerse himself in learning all aspects of the family trucking business.

“Ian has a very strong background in finance and strategy,” said Dyan Smith. “He likes to figure out the best way for the company and family to grow and change in the future,” — what John Smith calls “up at 20,000 feet looking down; seeing how the pieces fit together and where we should be going.”

Bringing the next generation into the family business was critically important to the Smiths, as it is for most families in business together. Yet there are many obstacles to be overcome. Infighting and misunderstandings can overwhelm a business, the Smiths said. Divisive issues are often emotional rather than business related.

“Whom do you go to for help in addressing these problems and proceeding into the future? Where do you go for information on starting a family business and keeping your children in it?” said Dyan Smith. “We hope Cornell will flourish in being the source for family businesses.”

The Smith Family Business Initiative will be housed in Johnson’s Entrepreneurship and Innovation Institute and will fund three key additions to the institute:

- The John and Dyan Smith Professorship of Management and Family Business, who will serve as the initiative’s lead faculty member
- The Smith Family Clinical Professorship of Management, who will serve as director of the initiative
- The Smith Family Research, Program, and Faculty Support Fund, which will support a number of activities, including course offerings, student and alumni programming, marketing and outreach, presentations by visiting executive speakers, and faculty recruitment

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