



News Briefs

March 2002

Developing Family Business Successors

Drew Mendoza
Reeve Memorial Union, UW Oshkosh
March 19, 2002

Drew Mendoza is co-author of *Making Sibling Teams Work: The Next Generation* and the managing principal of The Family Business Consulting Group, Inc. Many of you know the caliber of this group's expertise from presentations provided by Drew's associates—John Ward and Nancy Waichler. You will be equally pleased with the content and quality of Drew's workshop.



Members of the successor generation often have a multitude of questions including:

- ✓ do I want to become the leader?
- ✓ how will I ever be prepared to take over our company?
- ✓ will I ever get the chance to lead the company?
- ✓ will the employees ever think of me as more than the kid?

Meanwhile, the senior generation has questions and concerns, too.

- ✓ Will I be able to accomplish my dreams?
- ✓ How do I relinquish my leadership?
- ✓ What will I do if I retire?
- ✓ Will the kid ever be capable of running "my" business?
- ✓ Who am I if I am not the leader of "my" company?
- ✓ Do I have adequate financial security?

In his very engaging style, Drew will help us understand the perspectives of both generations. He will share real-life cases and discuss the techniques, tools, and practices that make this process effective.

If you don't see successors on the horizon, you will still find this workshop valuable. It is never too

early to learn about the challenges and pitfalls and to prepare for the possibility of a successor generation.

If you can have representatives of all generations at the workshop, that would be valuable. If that isn't possible, you can plan to reserve a copy of the program video to use with the others at your next family meeting. It will make a great tool for discussing succession issues.

Compensation Packages & Retention

The topic of compensation has been of continuing interest to members. In response to the request for a program on compensation, Lori Phillippi of Badger Mining Corporation developed a survey of compensation packages and sent it to members. Not only did members show interest by responding to the survey, but many of our newsletter readers requested copies and responded as well.

The January 31st program focused on the results of the survey, components of the packages of three member businesses, and the process of implementing a formal compensation program. Dale Feinauer, professor of human resource management of the College of Business Administration, Phil Florek of H.G. Weber, Steve Morton of Morton Drug Company, and Tim Wuest of Badger Mining Corporation talked about their experiences in formalizing and implementing compensation programs and the components they incorporated in the packages.

One program attendee summed up the experience this way, it was "very interesting to see how other family businesses handle the same situations, no matter what size the company is." In reference to the survey results, another attendee wrote of eagerness to go back and read the survey results in detail, recognizing a "need to resolve equity to non-family members."

Everyone expressed appreciation to the presenters for sharing their information and their decision making processes.

New Member

JAG Outdoor Advertising of Algoma is the newest member of the Forum. Founded in 1946 by Gerald (Jag) Haegele, JAG Outdoor is primarily a billboard company, although they also design and produce handcrafted signs, vehicle lettering, and other similar signage. Jane Sweasy, one of Jag's five daughters, is active in the business as a sales representative. Jane joined the Forum after she and her sister Carrie were our guests on December 5th. Jane intends to participate in the Successors group.

Welcome, Jag and Jane!

Family Business Books Available

Business Owner Resources is the publisher and distributor of books written by John Ward, Craig Aronoff, and others who study and work with family business owners. Many of you are acquainted with their Family Business Leadership Series from earlier programs and know they are great resources for your family.

Drew Mendoza has agreed to bring this series as well as some of their other books to the March 19 program. You will be able to scan them during the registration and break times and buy those that interest you. For example, one of the books I have asked him to bring in quantity is *Another Kind of Hero: Preparing Successors for Leadership*, written by John Ward and Craig Aronoff. This book focuses on the importance and process of successor development.



Don't miss this opportunity to buy quality family business books through this Forum opportunity. We will be prepared to take your check or cash. You will be able to take your books home with you and save the shipping and handling costs. If we should run out of a particular title that day, Drew's office has agreed to ship the book to you without charging you for shipping and handling. Now, that's customer service. Thanks, Drew!

The more books you buy for your libraries, the more the Forum library will benefit.

Upcoming Group Meetings

Best Practices Group: On March 6, Lee Kraus of Sewing Systems Inc. will facilitate a discussion of *using customer and product data in a new way to narrow your focus, improve profits, and grow a more efficient business*. This meeting will be hosted at U. S. Paper Converters. Lee will be providing lunch for this meeting, which is scheduled from 11:00 a.m. to 1:00 p.m.

Successors Group: David Plank will host this meeting on March 26 from 1:00—4:00 p.m. at the headquarters of J.J. Plank Corporation. The topic will be announced shortly.

Sponsors Group: BCI Group is hosting this meeting on March 7 from 7:30—8:30 a.m. The group will evaluate the first Lunch and Learn offered by Affinity on February 12 and plan their next offering. They are also creating a *Yellow Pages* to help both members and sponsors identify those who have expertise they may require.

Registration is required for each of these groups. Contact Sue Schierstedt at schierss@uwosh.edu or (920) 424-2257.



Is Your Business a Candidate for Forum Membership?

Undoubtedly you've heard the saying, "*Shirt sleeves to shirt sleeves in three generations.*" Although expressed differently in other parts of the world, the saying's concept is international. It refers to the reality that family business survival is difficult. Only about 10% of all family businesses survive to the third generation. Do you want your family business to be a survivor?

The Wisconsin Family Business Forum was established to help family businesses become survivors.

The Forum is a **community** of family business owners who want to survive and who know that by learning about the issues and challenges and making changes that ensure success, they improve their odds of survival.

The Forum provides **educational programs, peer groups, access to family business professionals, networking opportunities, and a resource library.**

The Forum community practices **confidentiality** and **non-solicitation** to ensure that everyone can fully benefit from the educational programs, resources, and networking opportunities. The Forum's sponsors, with expertise in family business issues, are available to answer questions and provide guidance.

The Forum is a non-profit organization housed in the College of Business Administration, UW Oshkosh. Organizations become members of the Forum and pay a nominal annual fee depending upon the business' annual sales. Members are encouraged to send multiple people to all activities to gain maximum benefit.

If you have not yet made a commitment to join the Forum, please consider doing so now and contact the director, Sue Schierstedt for further information. Sue can be reached at (920) 424-2257 and schierss@uwosh.edu.

Lunch & Learn

On February 12, Affinity offered our first Lunch & Learn on the topic of Managing Health Care Costs. Those who attended were interested in learning ways to better control their health care costs. Affinity described their health assessment program and the opportunities it provides businesses and employees.

6th Annual Dinner

Stephen Marcus president of the Marcus Corporation will be our guest speaker on May 23rd at the Butte des Morts Country Club. Mr. Marcus will share the story of his family's business including their decision to go public.

Mark your calendars to join your Forum family and friends for a wonderful evening. Details of the evening will be distributed at the March 19th program. Invitations will be sent in early May.

Program Videotapes

Our library of program videotapes includes all the programs since September 2001. Some of you have already borrowed the tapes to review concepts or to share them with other members of your family and business.

To borrow a tape, contact Ann at (920) 424-1541 or steina@uwosh.edu. If you would prefer to have a copy for your library, contact Ann and tell her you wish to keep a copy.

Golf Outing—3rd Annual

The Program Committee is planning to host the 3rd Annual Golf Outing in June as a 9-hole scramble followed by dinner. We are unable to confirm the date and site until the courses open in the next few weeks. Further information will be sent as details are confirmed.

Forum ListServ

The address that connects you directly with over 100 Forum family business owners, executives, and professionals is familyforum@list.uwosh.edu. Use it whenever you have a question or something to share with the group. Because it provides immediate access to everyone, this is a good way to get information that you need immediately.

If you are a member or sponsor who is not already on the list, contact Sue at schierss@uwosh.edu to be added to the list. Instructions will be forwarded to you when you are added.

Program Calendar 2002

Date/Time	Topic/Event	Presenter(s)
Mar 19 7 - noon	Developing Successors	Drew Mendoza, Family Business Consulting Group
May 8— 13	International Workshop in Toronto	Paul Meyer, sub- committee chair
May 23 5—9 pm	6th Annual Dinner	Stephen Marcus, Chairman/CEO Marcus Corporation
TBA	3rd Annual Golf Outing & Dinner	Burk Tower, WFBF, coordinator
Sep 18 3 - 6 pm	The Non-Family Execu- tive in a Family Busi- ness: Roles, Experience and Skills	Moderated panel of non-family execu- tives
Oct 22 7 - noon	Exit Strategies	Rich Morris, former owner of Fel-Pro Inc. and owner of ROI Consulting
Dec 4 3 - 6 pm	The Business, the Fam- ily, and Each One of Us: How Do I Balance All of This?	Tom Jadin
Mar 19, 2003 7—noon	The 5 Keys to Family Business Success	Craig Aronoff, The Family Business Consulting Group, Inc.

Forum Web Site

The Forum's web site includes information about our mission, our membership, sponsors, programs, and more. It also includes links to members, sponsors, alliance partners, and other family business resources.

Be sure to visit and bookmark the site for future reference: <http://www.uwosh.edu/wfbf/>

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The Forum thanks the following sponsors for contributing significant value to keep the Forum at the forefront of family business forum programs, worldwide:



Affinity Health System is an integrated regional health network that offers a broad array of health care services to more than a dozen northeast Wisconsin communities. As a mission-driven organization, Affinity promotes the health and well-being of local communities through the sponsorship of a broad array of community-focused, charity-based programs and services.



BCI Group, established in 1978, offers full-service consulting, actuarial, and recordkeeping services for all types of qualified and non-qualified benefit plans. The firm offers comprehensive services to provide the ongoing consulting and administration necessary for successful ESOPs, defined benefit plans, 401(k) plans, profit sharing plans, and various other plans. BCI Group serves its national client base from its headquarters in Appleton, WI, and eight other locations across the country.



First National Bank — Fox Valley has a competitive advantage of developing strong, close customer relationships, especially in the niche of family-owned businesses. Thanks to a dedicated staff, FNB has completed its 113th year of providing financial services to the people and businesses of the Fox Valley with locations in Menasha, Neenah and Oshkosh.



Grant Thornton LLP is an international accounting and management consulting firm with offices throughout the United States and in over 97 countries worldwide. Their mission is to be the leading global organization creating, enhancing, and preserving wealth for entrepreneurial companies and the people who own and run them. Grant Thornton accomplishes this by providing business, tax and financial services that deliver measurable value to their clients.



Marketlink Inc. is a full-service marketing communications, public relations, e-marketing and advertising agency based in the Fox Valley. Marketlink not only provides support for promotion and design, but also manages ongoing marketing programs, advertising placement, event coordination, web site design/maintenance, and public relations campaigns.



McCarty Curry Wydeven Peeters & Haak LLP has been serving the legal needs of large and small family businesses in northeast Wisconsin since 1949. The firm's services include all aspects of business and corporate law, real estate, complex estate planning, commercial and personal litigation, as well as general practice.



Retained Earnings Company/MassMutual—The Blue Chip Company has recognized excellence in providing family owned businesses with the product tools that allow for the confident construction of estate and business succession plans. The firm brings experience, education, empathy and motivation to clients' quest for financial growth and security. Retained Earnings is acknowledged as the premier provider of pension and investment products, life and health insurances.



University of Wisconsin Oshkosh, College of Business Administration provides undergraduate and graduate education with a wide array of outreach services to benefit economic development in northeast Wisconsin. The faculty and staff are professionals dedicated to being quality teachers, accessible to students; furthering knowledge through research; and serving as valuable resources to the University and community. A key strength of the College is providing professional expertise through personal contact among students, faculty, and members of the community.
