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# News Briefs

## May 2000

### Which Comes First—the Family or the Business?

John L. Ward was warmly welcomed back on **April 11, 2000**, by 58 members and sponsors who were eager to learn and interact with him on a critical family business issue. Family members came from Colorado and Chicago to be a part of this workshop alongside their local family members.

John began the day by asking us to identify the sources of the dilemmas that occur between family and business issues. Creating this list was not difficult.

Next we were introduced to polarity maps which focus us on developing win/win strategies to create a 3<sup>rd</sup> dimension.

We worked through the model using the issues of liquidity, stock valuation, and pre-nups to hone our skills.

We also explored the importance of an owner's beliefs, values and practices/policies on the culture of the business. Ward explained that the owning family has responsibility for giving the business clarity regarding its values and vision. The family must speak clearly and with consensus.

In discussing the philosophy of ownership, Ward led us to see how the owners' philosophy influences the next generation's views of the business as a responsibility, and as an entitlement/privilege. He suggested that running the business like a business and cherishing accomplishment because it is in the best interest of the family is a wise path. A strong business helps the family achieve its mission.

Ward's last challenge was to consider and respond to the questions, "How can we make the business an heirloom?" and "How can we make the family a community?"



Members received a summary of the responses to all the workshop group sessions.

According to those who were in attendance, Ward exceeded expectations by providing...

- "a lot of ideas and things to work on/discuss,"
- "very valuable information,"
- "lots of thought provoking ideas,"
- "showing the challenge we have shared,"
- "defining the differences between how businesses are run," and
- "how family can bring strength to the business and business can bring strength to the family."

Participants included, Ward's workshop "really hit home as [we] are at a cross roads that deals with family vs. business planning." Ward's presentation was "right on the mark as this is a difficult issue to deal with and will help me lead the family to determine what solution is best." "John is a pro."

As promised, John Ward led us to understand that the challenge - and art - of a family business is in reconciling the inherent dilemmas and paradoxes that result from mixing family with business. Ultimately it's essential to serve both the business and the family. The art is in finding the most appropriate synthesis.

At the conclusion of the workshop, we were honored to have Ward applaud our Forum for its entrepreneurial approach to family business centers, recognizing our **reciprocity agreement** with Marquette's Center for Family Business and UW-Madison's Family Business Center and our recent **international family business workshop** as creative and effective "firsts".

### Successors Group

David Plank welcomed ten members of the Successors Group to J.J. Plank for their April 26 meeting. The meeting presentation was by Dan Thome of Grant Thornton, "Business Valuation – Where Do You Start?". The session included discussion of issues of individual interest and a tour of the Plank facility.

The next meeting of Successors Group will be **May 25, 1:00 – 4:00 p.m.** at Bassett Mechanical, Kaukauna.

Kim Bassett-Heitzmann will host the group, leading a tour of the business and the topic discussion for the afternoon. Group members will have an opportunity to raise issues of current interest for group discussion.

Members interested in becoming part of this group should contact Sue, 424-2257, for more information.

## Spring Dinner Program

Members and sponsors enjoyed a relaxing evening of conversation while enjoying cocktails, a superb dinner, and an interesting presentation led by Paul Hoffman, Hoffman Corporation, Appleton.

Paul Hoffman, president of Hoffman Corporation and fourth generation family-owner, unfolded the story of his business' founding, growth, and development. He described the development of the business culture as a key component to his business success.

As thanks to Paul for his presentation, the Forum gifted the United Way of the Fox Cities in his honor.

## Directory of Members and Sponsors

Angie, the Forum's program assistant, is in the process of updating the directory and needs your help. Please send her

- ✓ changes that should be made to your directory page, and
- ✓ a photo of your Forum participants. (We have received a few of these but would like to have everyone's. The photos will be included in the directory to help people get acquainted quickly.)

We would appreciate receiving this information by June 1. If you have questions, please contact Angie at 424-1541 or gundert@uwosh.edu.

## 1<sup>st</sup> Annual Golf Outing

Another *first* for the Wisconsin Family Business Forum! Under the able leadership of Lori Phillippi of Badger Mining Corporation, we are hosting a 9-hole, scramble and steak fry at the Mascoutin Golf & Supper Club, Berlin, on June 16. Golfers will tee off at 2:00 and dinner will be served at 5:00.

Members and sponsors are encouraged to register for the outing as soon as possible. We want to ensure that the fee, our reservation, and the starting times are set appropriately for the number interested in golfing.

For more information about this event, contact Burk Tower at 424-0351 or at tower@uwosh.edu.



## 2000-2001 Board

During a brief business meeting at the Annual Spring Dinner, retiring Board members – **Lori**

**Phillippi** (Badger Mining Corporation), **Lyle Reigel** (U.S. Paper Converters, Inc.) and **Joe Verhagen** (Larry's Markets, Inc.) were recognized for their contribution to the Forum Board over the past two or more years. We are extremely grateful for the commitment these members have made to the Forum.

Filling the three vacant family business representative seats for two-year terms are **Paul Meyer** (Meyer Services, Inc.), **Ron Miller** (Miller Masonry & Concrete, Inc.) and **David Plank** (J.J. Plank Corporation).

The Board is composed of an equal number of family member seats and sponsor seats. It meets quarterly to make program and policy decisions, assist in marketing the Forum, help identify member needs, approve the budget, and review the financial reports.

2000-2001 Forum Board	
Board Member	Company
Bill Bassett	Bassett Mechanical
Al Hartman	College of Business Administration, UW Oshkosh
Paul Meyer	Meyer Services, Inc.
Ron Miller	Miller Masonry & Concrete, Inc.
Jim Neumann	RB Royal Industries
Mickey Noone	First National Bank – Fox Valley
John Peeters	McCarty, Curry, Wydeven, Peeters & Haak
David Plank	J.J. Plank Corporation
Craig Smith	Retained Earnings Co.
Dan Thome	Grant Thornton LLP

Board members welcome your questions and comments. Please refer to your Forum *Directory of Members and Sponsors* for contact information.

## WMEP Alliance

On April 20, the Wisconsin Manufacturing Extension Partnership (WMEP) and the Wisconsin Family Business Forum finalized an alliance agreement.

WMEP works with small manufacturing firms (less than 500 employees) to help improve product delivery times, reduce costs, improve product and process quality, and increase productivity. WMEP emphasizes producing bottom-line, measurable results for manufacturers.

WMEP works with many family-owned businesses and recognizes the unique challenges the family brings to the business. When the WMEP Field Agents find that their clients are family-owned businesses that have other needs, outside the realm of their expertise, they will refer them to the Forum.

We will certainly welcome any potential members that come from WMEP. In addition the Forum can be a

liaison to WMEP. Please let me know if you would like information.

## Corporate Report Wisconsin

Watch for the June issue of the magazine. The issue is focusing on family business issues and has interviewed two of our members for family business profiles.

## Program Calendar

Our program calendar has taken on a slightly different look with this issue of *News Briefs*. The programs that are available to you through our reciprocity agreement with Marquette University's Center for Family Business (CFB) and UW-Madison's Family Business Center (FBC) are now included on the calendar along with our programs. The CFB and FBC indicate the programs offered by Marquette and Madison, respectively.

The reciprocity agreement allows you, our members, to attend specified programs at the other Wisconsin family business centers for a minimal additional fee as part of your membership in the Wisconsin Family Business Forum. The fee for attending a partial day program (up to 3 hours in length) is \$25 per person and for a longer program or workshop is \$50 per person.

As you look through the calendar, you will see some duplication of programs. This has enabled us to reduce our speaker costs while bringing you excellent, quality presenters.

To participate in a CFB or FBC program, pre-register with the host center and pay your fee in advance or upon arrival at the program. Refer to your *Directory of Members and Sponsors* for registration contact information.

For additional information, contact Sue at 424-2257 or Angie at 424-1541.

Date/Time	Topic/Event	Presenter(s)
May 25	<i>Successors Group</i>	Bassett Mechanical
June 16	<i>Golf Outing, Mascoutin Golf Course</i>	Lori Phillippi & Burk Tower, coordinators
June 28	<i>Successors Group</i>	Marion Body Works
July 26	<i>Estate Planning Panel</i>	Sponsors CFB
July 27	<i>Successors Group</i>	
Sep 7	<i>Innovative Approaches to Attracting Employees</i>	CFB

Sep 27	<i>Defining Corporate Culture for Competitive Advantage</i>	Barbara Gannon, VP – Corporate and Marketing Communications Sargento
Sep 13	<i>Harnessing the Power of an Independent Board</i>	Norb Schwarz FBC
Oct 24	<i>Sustaining the Family Business, an Insiders Guide to Managing Across Generations</i>	Marshall Paisner, Chairman, ScrubaDub Car Centers, Inc.
Oct 25	<i>Sustaining the Family Business, an Insiders Guide to Managing Across Generations</i>	Marshall Paisner, Chairman, ScrubaDub Car Centers, Inc. FBC
Oct 26	<i>Cultural Patterns Leading to Success in Transferring the Business</i>	Marshall Paisner, Chairman, ScrubaDub Car Centers, Inc. CFB
Dec 6	<i>Conflict Resolution in the Family Business</i>	Bud Simpson, Marion Body Works
Dec 6	<i>Love and the Bottom Line</i>	Thomas Starko FBC
Dec 7	<i>Love and the Bottom Line</i>	Thomas Starko CFB
Jan 2001	<i>Transitioning Out of the Company</i>	Sponsors & UW Oshkosh
Jan 24	<i>Estate Planning II</i>	Mark Bradley FBC
Feb	<i>Legacy Planning System</i>	CFB
Mar 14	<i>Practice Dying Until You Get It Right!, a successor's survival kit</i>	Bonnie Brown, Transition Dynamics, Inc.
Mar	<i>Importance of Vision</i>	Tom Hubler FBC
Apr	<i>Panel</i>	FBC
May	<i>Annual Banquet: a Family Heritage</i>	

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Proud sponsors of the Wisconsin Family Business Forum:



**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 110th year of providing financial services to the people and businesses of the Fox Valley.



**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.



McCARTY CURRY WYDEVEN  
PEETERS & HAAK

Attorneys at Law



**McCarty, Curry, Wydeven, Peeters & Haak** 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 144 years of service and 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. Acknowledged as the premier provider of pension and investment products, life and health insurance.



**University of Wisconsin Oshkosh College of Business Administration, Oshkosh** provides undergraduate and graduate education with a wide array of outreach services to benefit economic development in northeast Wisconsin. The faculty and staff of the College of Business Administration 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.

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May 2000

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## Creating & Preserving a Family Tradition – the European Experience

The Wisconsin Family Business Forum's first international family business workshop was an undeniable success.

Twenty-nine (29) Forum members and sponsors flew to Milan, Italy on March 10 anticipating a challenging week of workshops, meetings, and fun. No one was disappointed.

The workshop was held at the beautiful Hotel Grand Cristallo, Cervinia. Cervinia is on the Italian side

of the Matterhorn about a 2.5 hours drive northwest of Milan and has breath taking vistas. It



provided the perfect backdrop for quiet family meetings and reflection on vision and values.

The participants represented ten family groups, including teenagers, twenty-two year olds, and some of our more experienced members. Family groups ranged in size from two to four. The participants represented first to fifth generation businesses.

The workshop focus on family vision and mission was handled differently by each family group depending on its stage of maturity and its family structure. Interaction with the Italian educator, professionals and owners provided perspectives on values, culture and politics as they impact family business.

As the kick-off to the workshop on Monday, March 13, we welcomed

Daniela Montemerlo, faculty member and family business researcher and consultant from SDA Bocconi



University in Milan. Doctor Montemerlo provided a comparison between Italian and U.S. family businesses based on her research. We were surprised at the similarity in issues. She also introduced us to family business owners, their core values and codes of conduct via a family business video she had co-produced.

That evening **Jim Janes** and **Craig Smith** began our focused sessions on family mission and vision statements. Jim shared his family's statements and how they had been developed. Along with his wife Cindy, he introduced us to the Sargento family culture and the family's vision and mission statements. With instructions for the week and an overview of the desired results, families committed to working on their vision and mission and to presenting their work to the group at the end of the week.

On Tuesday, March 14, at 5:30 a.m., we boarded a bus for the 2.5-hour ride into Milan for our next meeting. Thanks to the efforts of **Dan Thome** of Grant Thornton, we met with business owners, the head of the American Chamber of Commerce and representatives of Grant Thornton's Milan office. Alberto Falck, chairman of the Italian Association of Family Businesses and owner of 5 Italian energy plants, explained how his family changed from a steel producer to an energy provider in a 4 day conversion. He also shared a little about the effect of the conversion on his family. We also discussed tax issues

and learned about the political efforts of his Association to modify their tax structure.

Cesare Gorla, Claudio Muollo, Gerolama Albertazzi, and Mauo Barberi of Grant Thornton's Milan International Business Center shared their knowledge and research findings about Italian family businesses.

Following our meetings, we walked the streets of Milan exploring the Duomo and Pecks, and enjoying the sights and sounds.

On March 15, families met to discuss their vision and mission and to relax together.

Although some had planned on hang-gliding in the afternoon, the winds were too strong. So, skiing, reading, touring, shopping, and planning were among the activities.

On Thursday, March 16, we departed early to visit the Fontina cheese factory in Valtourneche and to meet with Cleto Benin, family business owner of EuroTravel, in Aosta. Benin and his brother have moved the firm from a small family owned hotel and restaurant 15 years ago through almost 35% annual growth since then. EuroTravel now manages properties throughout Northern Italy, France, the Maldive Islands and will serve over 300,000 guests this year.

During these visits, we heard about the family cultures, the business environment, and the history and vision for these Italian family businesses.

Following our meetings, we ate a superb five course Italian meal with the appropriate libations in the Vecchio Aosta restaurant. Cleto Benin, our host in the morning, also owns the restaurant, built into part of the Roman ruins that once encompassed the city. The family directed restaurant has been in continuous operation for over 400 years. Benin joined us at the restaurant to make sure we enjoyed our meal, thank us for coming, and wish us well with our objectives.

Aosta, called the Rome of Northern Italy, is about the size of Madison, Wisconsin and was founded in the year 26. Much of the original coliseum, six story theatre and walls around the 2000

year old city survive, as do many of the generations



old family businesses that have built the city and kept it prosperous.

On the last day of our workshop, Friday, March 17, four members of the Badger Mining Corporation family added an addition component to their workshop experience. They met with representatives of a prospective customer whose site was about 2 hours southwest of Cervinia. Tim Wuest, Badger Mining, had developed the contact prior to leaving for Italy. This customer meeting is proving valuable to Badger Mining.

On Friday evening, we assembled for the final workshop session. Some families had accomplished more than they had originally anticipated, others still felt they had considerable work to do. All agreed that the workshop experience and business contacts had been worthwhile.

On March 18, the entire group bid farewell to Cervinia and traveled to Milan for their return trip or, as was the case with two families, for vacations.

As we prepared to fly from Milan to Chicago, we commented on the exceptional customer service that we had experienced throughout Italy. From the incomparable concierge, Nando, and the staff at the Grand Hotel Cristallo to the business people with whom we met. This experience of customer service is another learning that we would carry home with us.

On April 28, the Italy workshop group reconvened at the home of Ben Ganther for a workshop finale social and photo swap. Consensus of the group is that the workshop provided insights into international family businesses and their issues, the importance of family vision and mission, and the value of family retreats to reflect and discuss key issues.

## **Many Thanks!**

A workshop of this magnitude required the efforts of many people.

A big thanks to all who worked on the workshop planning committee and/or helped to facilitate the sessions: Kim Bassett-Heitzmann, Al Hartman, Jim & Cindy Janes, Bob Merriam, Jim Neumann, Bud & Betty Simpson, Dan Thome, and the chairperson and host, Craig Smith.

Thanks to our assistant Angie Gundert for her support in materials preparation and bookkeeping.

Finally, thanks to the Fidelity Family of Funds and to Craig Smith, Retained Earnings Company, and Tim Cornell, Mass Mutual Financial Group for their co-sponsorship of the workshop.