Family Business Incentive Compensation: Design and Management

Presented by
Dale Feinauer & E. Alan Hartman, UW Oshkosh College of Business Administration
January 20, 2005, 7:00 am—noon
Butte des Morts Country Club, Appleton

This seminar is designed to give family businesses an understanding of options for the management of their compensation systems. Based on a survey of area family businesses, the discussion will include both descriptions of how area family businesses manage their compensation systems and identification of options for the unique compensation challenges facing family business.

The results of a survey of area family businesses will be presented. This survey explored differences in compensation for family working in the business, family not working in the business and non-family executives. The allocation of compensation dollars between guaranteed forms of compensation (base salary) and at risk compensation (bonuses) will be discussed. The survey also explored the types of benefits that are provided by area family businesses. Finally the survey explored the bases on which decisions are made regarding relative compensation of family and non-family members.

In addition to exploring the results of the survey, the presenters will discuss the reasons for compensation of family members (return to work, return to investment/ownership, and intergenerational asset transfers), including how each of these reasons influences the various forms of compensation. Recommendations for the management of family member compensation will be presented. There will also be discussion of both the impact of organization culture on compensation and methods for shifting employee compensation from guaranteed to at-risk and the advantages of making this shift. Finally there will be some discussion of how to assure that you are getting the maximum impact from your investment in compensation.

Agenda
7 am—noon

7:00 — Registration & Continental Breakfast

7:45 — Announcements and Introductions

8:00 — Review of survey results

8:45 — Discussion of the unique challenges associated with managing compensation of family members

9:45 — Break

10:00 — Presentation of options for enhancing your compensation expenditures’ impact on employee motivation and organizational culture.

11:00 — Group analysis of compensation challenges and solutions.

11:45 — Closing Remarks
**Presenters**

**Dale Feinauer** has been a professor of management and human resources at UW Oshkosh, College of Business for over 20 years. Dale is active in teaching and consulting in the area of compensation. Dale has worked with a variety of family businesses in the areas of compensation, strategic planning, and succession planning. He has provided Forum facilitation training, compensation programming, and support of the Successors in the area of leadership development. Dale says he has also gained an further understanding of the dynamics of family businesses as a result of his marriage to Darcy Zander-Feinauer who is the fourth generation in her family business – Zander Press.

**E. Alan (Al) Hartman**, dean of the College of Business Administration UW Oshkosh, grew up in his family’s furniture store in Stevens Point. Since joining the College about 30 years ago, he has been active in teaching and consulting in the area of management, working with a wide variety of organizations and with family businesses. He has also been researching and publishing in the area of family business management, including family business governance and compensation. Along with other members of the College and the business community, Al has been instrumental in helping to form, champion, and support the Wisconsin Family Business Forum.

The **Wisconsin Family Business Forum** is a partnership—family business owners, family members, non-family managers, business professionals, and academic consultants. We are a community that shares values, experiences, and commitment to family business. Coming together as partners, we explore the challenges and rewards of family enterprise and to grow in our knowledge, skills, and experience.

**Members**

Family business members are encouraged to bring family members, whether or not they are actively employed in the business, and key non-family managers. This program will be valuable to family members, non-family executives, and those who manage the compensation system.

**Prospective Members**

Family business owners who are interested in attending this program and learning more about the Forum and have not previously attended a Forum program may participate in one program as a guest. We believe that once you have joined us for a program and discovered the value of the Forum, you will apply for membership for your business.

For details about membership or about the program, contact Sue Schierstedt, director, (920) 424-2257, or e-mail schierss@uwosh.edu.

**Registration**

Please register for this program no later than **January 13, 2005**. Registration is done on-line at http://www.uwosh.edu/wfbf/ and click on “Programs”. Or, you may register by contacting Ann Stein at (920) 424-1541 (phone), or via e-mail - steina@uwosh.edu.

**For More Information**

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