



*Central Ohio's
Resource for Family Businesses*

MONTHLY MESSAGE JUNE 2006

From Dick Emens, Executive Director & Becky Blatt, Associate Director

Join us in August...

2006 FAMILY BUSINESS CONNECTION: TOUR AND NETWORKING

Thursday, August 17, 2006

4:00 PM- 7:00 PM

Ohio Fire Academy

Reynoldsburg, Ohio

Families Invited

This year the Family Business Center of Central Ohio is pleased to announce that the R.W. Setterlin Building Company has generously agreed to host the Family Business Center's 3rd Annual Family Business Connection: Tour and Networking Event.

Members of the R.W. Setterlin team will take us on a tour of their current expansion project at the Ohio Fire Academy. The Ohio Fire Academy staff will guide us through the search and rescue training operation, the fire trucks and equipment and live fire training techniques. Hors d'oeuvres and networking opportunities will follow the tour.

THIS EVENT IS APPROPRIATE FOR ALL AGES AND WE ENCOURAGE YOU TO BRING YOUR FAMILIES. CHILDREN AND ADULTS WILL ENJOY THIS!

Registration will begin in July.

Sponsored By



FAMILY BUSINESS CENTER MEMBERS BENEFIT FROM PRESENTATION BY HONEYBAKED HAM CEO

Last month, our speaker Craig Kurz, CEO of the Honeybaked Ham Company presented an outstanding educational program that addressed many issues faced by family businesses: succession planning, expansion of the business and effective marketing. Joined by his parents, S. George Kurz and JoAnn Kurz, Family Business Center Members benefited from hearing Craig

talk about HoneyBaked Ham Company's progression to the third generation of leadership, the policies they have adopted, the structure they have in place and their plan to ensure a successful future for their family and their company.

Our thanks and appreciation to The Global Consulting Partnership for arranging for this informative and educational presentation and especially to Craig, JoAnn and George Kurz for spending the morning with us. If you would like a copy of Craig Kurz's PowerPoint presentation e-mail Becky at blatt@familybusinesscenter.com to ask for your copy.

INDEPENDENCE DAY (may never come for the next generation of family owned businesses)

Bea Wolper, Partner, Chester Willcox and Saxbe and Board Member, Family Business Center of Central Ohio

Independence day: the name has us reflecting on the success of our ancestors breaking the ties of control and authority of their parent: the British. Independence day means the time when we were able to shape our own destiny.

The opening of the 1776 Declaration of Independence states (to paraphrase) that sometimes "it becomes necessary for one people to dissolve the ... bands which have connected them with another, and to assume among the powers of the earth, [a]... separate and equal station." And, in closing, the Declaration puts forward the proposition that each one of us in America are pledged to each other for liberty: "...we mutually pledge to each other our lives, *our fortunes* and our sacred honor."

Many critics of our current estate tax system believe that the government has gone too far by taking the fortunes of one person and pledging those fortunes to another. For Family Business Owners, the concept of estate tax has long been considered a penalty tax which prevents one generation (who has worked to build a family business) from passing the business to the next generation and from preserving its wealth.

No one knows for sure what will happen with estate and gift tax reform. Wise experts predict that the estate tax will not be totally repealed but reformed so that the amount of the exemption may be between Three Million Five Hundred Thousand Dollars and Five Million Dollars. Unfortunately, these same experts seem to say that the gift exemption will be One Million Dollars.

And so, assuming the experts are correct, and the exemption at death is Five Million Dollars, many founders will wait and wait until their death to pass the stock of a family-held business valued at Four Million Dollars to the next generation. They may ask, "why would I give the stock to my children during my life - and pay gift tax - when I can wait and my family will pay no federal estate tax?"

To add to this dilemma (and this is the good news for the senior generation, and maybe bad news for the next generation), our life expectancy has lengthened so that it is not unusual now for founders to live well into their 80s/90s and even (some) 100s!

Consequently, the children of this older generation may be 60 or 70 before the founders leave the stock to them in their estate documents! There are very few family businesses which want that result...however some founders will be conflicted between no tax and proper succession planning.

Successful Family business owners recognize there are many reasons for transferring ownership to the next generation, that have nothing to do with tax! The survival of a successful family business depends on strategic planning for long-term leadership, management and ownership of the business. Luckily, there are ways to meet the goals of the current generation of family business owners while at the same time lowering or eliminating estate taxes.

Take heart...estate tax is still a “voluntary tax.”

REMINDERS

The next meeting of the **Women In Family Business Peer Group Meeting** has been scheduled for August 29, 2006 from 7:30 a.m. – 9:30 a.m. at the Family Business Center Office.

This Friday, **June 30, 2006** is the deadline for submitting material to ODU to be considered for the **Maish Family Business Scholarship** for the 2006-2007 school year.

The Western Hemisphere Travel Initiative now requires all travelers to the Caribbean and Mexico to have a passport or other acceptable documentation effective December 30, 2006. Visit the U.S. Department of State for more information at http://travel.state.gov/travel/cbpmc/cbpmc_2223.html

It's time again to start thinking about nominating outstanding Central Ohio family businesses for the 2006 Family Business Awards. Our luncheon and awards ceremony to celebrate the success of family business will be held **on Friday, November 3, 2006** beginning at 11:30 a.m. at Ohio Dominican University. More information about the nomination process and this event will be highlighted in our July *Monthly Message*.

MEMBER NEWS

Miles-McClellan Construction Co. is teaming with Ruscilli Construction Co. to build a \$44 million student services building along Lane Avenue at Ohio State University.

Sara Mudd has joined GREENCREST effective May 22, 2006

R.W. Setterlin Building Company was recently awarded a \$2.6M contract to continue renovations to the historic Fort Hayes Metropolitan Education Center encompassing 32,500 square feet.

Commerce National Bank celebrated their 15th year of serving the Columbus business community with a community event on Friday, June 9th and recently hired Jason Isaacs as marketing assistant.

NEW MEMBERS

DONATOS PIZZA Contact: Jane Grote Abell, 935 Taylor Station Road, Columbus, Ohio 43230, Phone: (614) 416-7804, Fax (614) 416-7704

Donatos Pizza was founded in 1963 by Jim Grote, when the then-OSU student borrowed \$1,300 to buy a small neighborhood pizzeria on the south side of Columbus. Today, Donatos Pizza is still proudly family-owned and operated, and headquartered in Columbus. Jim remains Chairman of the Board and CEO while his daughter, Jane Grote Abell serves as the company's Chief Operating Officer. Donatos has a total of 133 company-owned and 41 franchise stores located in five states - Ohio, Indiana, Kentucky, Alabama and Florida. Additionally, Donatos Pizza has reached out to Kroger grocery stores in two states to offer Take & Bake pizzas and now operate 10 Take & Bake facilities in Ohio and West Virginia.

FAMILY BUSINESS IN THE NEWS

Source: Family Firm Institute, May E-Newsletter

- "Six Steps to a Successful and Stress-Free Family Meeting", *Family Giving News*, May 2006
http://www.ncfp.org/FGN-May_2006/contents.html
- "Sibling Rivalries," *The Wall Street Journal*, May 2006
http://www.ffi.org/images/nletter/06May_siblingrivalries.pdf

KEEP EMPLOYEES ON BOARD WITH TENURE AWARDS

Compliments of Sequent



Think about rewarding employee tenure with cash or extra vacation time. A little extra expense upfront can save a bundle in employee turnover costs. Here are some programs you might be able to implement at your company.

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SUMMER OPPORTUNITY FOR HIGH SCHOOL STUDENTS

Family business leaders with high school students may be interested in learning that there are still a few openings in a week long business camp run by Ohio Business Week (OBW), a nationally acclaimed business education program designed specifically for Ohio high school students. During this week long program students live in college residence halls, participate in a series of dynamic learning activities and interact with business people from large and small companies. Professionals from diverse fields including information technology, finance, logistics, marketing

and advertising share their expertise with students in an interactive environment. Under the guidance of loaned executives, "student companies" elect officers, complete a computer-based business simulation model, and develop an idea for a start-up business venture.

Each "company" then researches and writes business, financial and marketing plans; constructs a trade show display, develops a radio or TV spot; and creates a magazine ad or web page to launch their new business venture. At the conclusion of the week, each company gives a PowerPoint® presentation outlining their plans to a panel of business executives who serve as judges. Educational scholarships are awarded to students for excellence in leadership and community service. Three transferable credits are available. The cost to attend is \$ 175.00 per student.

Ohio Business Week is being offered during these two weeks at these locations:
July 9-15, 2006 at University of Findley, Findley, Ohio
July 23-29, 2006 at Youngstown State University

For more information, to download an application, or apply online visit
www.ohiobusinessweek.org.

TRADE MISSION OPPORTUNITY TO MEXICO

The Ohio Department of Development is looking for Ohio business leaders interested in participating in a trade mission to Mexico this fall.

A delegation of exporters, economic development professionals and university executives will participate in the mission scheduled for October 8-October 14, 2006. It will include visits to Monterrey, Mexico City and the country's central industrial region.

The delegation will make sales calls on industrial, automotive, agricultural and retail companies to promote Ohio as a trade partner.

Exporters looking to enter or expand markets, economic development groups seeking investment, and universities and research organizations that want to develop partnerships are encouraged to sign up.

For more information, contact Randy Hochstetter at the [Ohio Department of Development](http://www.odod.state.oh.us) at 614-466-5017 or rhochstetter@odod.state.oh.us.

FBC DATES FOR YOUR CALENDAR

Thursday, August 17, 2006 – 4:00 p.m. to 7:00 p.m.

Family Business Connection: Tour and Networking Event

Hosted by R.W. Setterlin Building Company at the Ohio Fire Academy
8895 E. Main Street, Reynoldsburg, OH

Tuesday, August 29, 2006 – 7:30 a.m. to 9:00 a.m.
in the Neighborhood House at Ohio Dominican University
Women in Family Business Peer Group Meeting

Thursday, September 21, 2006 – 8:00 a.m. to 11:00 a.m.
in Alumni Hall at Ohio Dominican University
Family Business Management: Easing the Transition to Team Leadership
Educational Program

Thursday, October 19, 2006 – 7:30 a.m. to 9:00 a.m.
In Alumni Hall at Ohio Dominican University
Breakfast Roundtable
Succession Planning: Ensuring the Continuity of the Family Legacy

Friday, November 3, 2006 – 11:30 a.m. – 1:30 p.m.
In Sansbury Hall at Ohio Dominican University
8th Annual Family Business Awards Ceremony

Thursday, December 7, 2006 – 7:30 a.m. – 9:00 a.m.
In Alumni Hall at Ohio Dominican University
Breakfast Roundtable

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