



MONTHLY MESSAGE DECEMBER 2007

A monthly publication of the Family Business Center of Central Ohio
The Family Business Center is located on the campus of Ohio Dominican University in Columbus, Ohio
www.familybusinesscenter.com

WORKERS COMP IS CHANGING: IS YOUR FAMILY BUSINESS PREPARED?

Thursday, January 17, 2008

7:30 a.m. – 9:00 a.m.

Alumni Hall at Ohio Dominican University

Presented by: Sherri Simpson, Ohio Bureau of Workers Compensation

Workers' Compensation in Ohio is a hot topic among business owners right now. The Ohio Bureau of Workers Compensation is in the process of reviewing the group-rating program that has been in existence for years and attempting to resolve what they feel are inequities in the current system. While a comprehensive review of the group rating program is currently under way, in November, leaders of the Ohio workers compensation system mandated immediate reductions in group rating discounts for employers participating in group rating programs. This action means increased costs for most family businesses. Sherri Simpson of the BWC Community Relations Department will talk with members about the administration's position, BWC's short and long term plans, and will share information about Bureau programs and incentives which, if implemented by Ohio businesses, will help to lower a company's annual workers compensation expense. Don't miss this opportunity to spend time with an Ohio BWC employee who can shed light on this "hot topic" and who can become your company's contact at the bureau. Don Beck, attorney with FBC Service Provider Member Thompson Hine has agreed to be on hand to help us understand these changes. Don practices in Thompson Hine's Workers' Compensation practice group, focusing on workers' compensation and litigation issues. Bring a member of your HR staff for what promises to be an eye-opening and important discussion for any family business owner doing business in Ohio. Please let us know you are coming by responding to this e-mail or e-mailing Becky Blatt at blatt@familybusinesscenter.com.

THANK YOU

Boy did we get an education at the December 6th Family Business Center Educational Program put on by Matt Carlson, Art Director of GREENCREST! Matt enlightened those present with his informative presentation about the web, how it works, and the strategies family business leaders should take into consideration when developing their sites and promoting their businesses on the world wide web. Thank you Matt for the educational presentation and the tips you offered to help make our sites more effective.

Coming In February...

TIM GASE, author of *Small Business Savings Plan: 101 Tactics for Controlling Costs and Boosting the Bottom Line*, to speak to Family Business Center members

In an age of increasing insurance premiums, salaries and technology costs, being cost conscious is on the minds of many family business owners. Tim Gase, owner of Peerless Saw in Groveport and author of the recently released book **Small Business Savings Plan: 101 Tactics for Controlling Costs and Boosting the Bottom Line** will share some of his 101 cost saving strategies with members of the Family Business Center of Central Ohio at our February meeting. Using his own business experiences and those of over 50 business owners he interviewed for his book, Tim has developed a list of strategies that will save a business a significant amount of money. By implementing the cost saving strategies outlined in his book, Tim helped to grow his Groveport, Ohio business from a \$ 6.8 million dollar company to one worth more than \$ 10 million. Every small business owner wants to control costs and can -- by being informed, thinking creatively, and working proactively. Tim assures us that these best practices will not only have a direct impact on the company bottom line, but, if done right, will positively affect employee productivity and morale. Join us on Thursday February 21, 2007 as Tim tells us how.

FAMILY BUSINESS CENTER DIRECTOR INSIGHT

If you are looking for last minute holiday gifts, here is information on three books read recently:

1. *The Age of Turbulence: Adventures in a New World*, by former Federal Reserve Board Chair, Allan Greenspan. Interesting autobiographical data with an excellent overview of the world economy, capitalism and democracy for the last 40 years and projections through 2030. Not a quick read, but so well written.
2. *Giving: How Each of Us Can Change the World*, by Bill Clinton. Interesting stories, well told, about private citizens doing good by giving time, money, things and skill. Description of many and various opportunities for individuals to make a difference by giving.

3. The Four Hour Work Week: Escape 9-5, Live Anywhere, and Join the New Rich, by Timothy Ferriss. Yes, it is a description of how to achieve a "4 Hour Work Week". Unobtainable for most of us, but there are some interesting and worthwhile ideas and it's a fast read!

We hope you have a great holiday season, give the gifts others want to receive, and receive the gifts you want. –Dick Emens & Becky Blatt, Family Business Center of Central Ohio

NEW MEMBERS

Barney Corporation, Inc.

Marshall Barney, President & Brad Barney, Operations Manager

4100 Perimeter Drive Columbus, Ohio 43228 Telephone 1.800.815.4583 Website: www.filters.com

Barney Corporation was started 30 years ago in Columbus by Marshall Barney. Barney Corporation distributes filtration and separation equipment, and disposables to the fine chemical, healthcare, oil and gas and food processing industries. With the advent of the internet Barney Corporation, Inc. now does business on a global basis under the address www.Filters.com. Today Barney Corporation employs 10 people including Marshall's son Brad.

Earman and Wood CPA's

3955 Brown Park Drive, Suite A Hilliard, Ohio 43026-3137 Telephone 614.850.2727 Fax: 614.850.8861

The father and daughter team of Larry Earman and Lisa Wood are CPA's and partners in the accounting firm Earman and Wood located in Hilliard. Earman and Wood CPA's employs Larry's wife (and Lisa's mother) Linda to server as their office manager, managing the day to day activities of the staff and the firm. Earman and Wood CPA's provide accounting and tax services to small and mid-size businesses and individuals. Their services include audits, reviews, compilations, income tax returns and consulting. Earman and Wood clients represent a wide variety of industries including medical professionals, real estate, wholesalers, landscaping, architecture, engineering, retail ventures, and non-profit organizations. In addition, Earman and Wood provide accounting services to Mentally Retarded/Developmentally Disabled group home and supported living providers throughout Ohio. Earman and Wood CPA's pride themselves on their ability to provide the highest quality service to their many clients. The Family Business Center was proud to honor Earman and Wood as an outstanding family business in 2004.

Women in Family Business Peer Group

Continue to discuss the Gender Communication Gap

The next meeting of the Women in Family Business Peer Group will be held on Tuesday, January 22, 2007 from 7:30 a.m. – 9:00 a.m. at Ohio Dominican University. Any female owner, employee or family member of a Family Business Center member company is welcome to attend.

Bea Wolper, Family Business Center Board Member and partner in law firm Chester Willcox and Saxbe will continue to lead our discussion about “Understanding the Gender Communication Gap in your Family Business”. Come prepared to continue our conversation about maneuvering through the gender communication gap(s) in your business. RSVP to Becky Blatt at 614.253.4820 or via e-mail at Blatt@familybusinesscenter.com if you plan to join us in January.

Next Generation Family Business Peer Group *First meeting scheduled for January 8th*

With commitments from 10 “next generation leaders” representing 10 different industries, the Next Generation Family Business Peer Group is established and ready to begin meeting monthly beginning on Tuesday, January 8, 2008. If any of you have a son or daughter, grandson or granddaughter, niece or nephew who would benefit from participating in this peer group, we have room to include two more. You can e-mail Becky Blatt, Associate Director at blatt@familybusinesscenter.com or contact group facilitator, Thaddeus O’Brien at tobrien@copper.net if you have questions about the format of the meetings for the topics which will be discussed during 2008.

FAMILY BUSINESS CENTER SURVEY *Seeking Input of Family Business Center Members*

The Program Committee of the Family Business Center of Central Ohio, under the leadership of Board member Bob Drovdic of the Global Consulting Partnership, is in the process of evaluating topics for consideration for the Family Business Center’s calendar for late 2008 and 2009. It is important for the Board and the Program Committee to know which subjects are of interest to you, our members, in order to develop a schedule for the coming years. Our sincere thanks to the many of you who have completed our survey. If you haven’t yet had the opportunity to do so, you can obtain a copy of the survey at <http://www.familybusinesscenter.com/2008Survey.htm> and either e-mail it to us or fax it to Bob at 714.734.8301. Thanks for your participation.

STUDENT SEEKS PARTICIPANTS FOR FAMILY BUSINESS STUDY

Jessica Merten, a behavioral science student at Columbia College in South Carolina, is conducting

research in an effort to compare children who grow up in family businesses with children who do not. The first 25 participants in her 20-question survey will receive a \$10 Staples gift card. To participate in the electronic survey, go to www.kidsnbusinessproject.com

YEAR END TAX PLANNING TIPS

By: Lark T. Mallory, Attorney, Chester Willcox and Saxbe

As 2007 comes to a close, year-end tax planning is even more important than in previous years as there are several important tax provisions set to expire. Unless Congress takes action, this year will be the last year for taxpayers to take advantage of these provisions. With that in mind, a taxpayer should consider the following tax saving tips:

- Make any planned energy saving improvements to your home this year. Energy saving improvements include putting in energy saving windows or exterior doors and insulation.
- If you are age 70-1/2 or older, own traditional or Roth IRAs, and are thinking of making a charitable gift before year-end, arrange for the gift to be made directly to the charitable organization to avoid recognizing income on the transfer.
- Next year, the kiddie tax rules will apply to most children age 18 and most full-time students age 19 through 23. If your child holds appreciated stock and will be caught by the kiddie tax next year and you are thinking about disposing of the stock, do it this year. If your child is in the 10% to 15% tax bracket, the tax rate will only be 5% on the gain from the sale.
- If your business is conducting research and development, pay for or incur amounts for such research on or before December 31, 2007.
- Donate food inventories to charities this year. This year, such contributions are limited to 50% of a corporate taxpayer's income.
- Similarly, make donations of computer technology or equipment to a school or library this year to take advantage of the enhanced deduction amount.
- Make leasehold improvements on or before December 31, 2007 to take advantage of the faster depreciation rates.

There are plenty of opportunities to plan for the remainder of the year. Just discuss your intentions with your planner.

ACHIEVING UNITY IN A LARGE FAMILY

Source: *Family Business Magazine E-News November 2007*

"As families and their enterprises become more complex, the planning process must address the interests of individual family members across generations," writes family business adviser Mike Cohn in *The Family Business Policies & Procedures Handbook*. "This is particularly important when the

senior generation is no longer involved in day-to-day management of the business." Cohn lists seven issues that a family in such a situation must address. Here are three of them:

- **Outline an ownership plan for major family assets.** Succession requires family members to assume and exercise ownership responsibilities, understand risks and make informed decisions about transitions. Change (planned or not) is difficult, but if the family's vision and goals are to be implemented, everyone must practice doing things differently in order to prepare for future responsibilities.
- **Create a structure to support family goals.** A family council, representing different generations and/or family lines, can provide a forum for addressing specific needs: balancing family and business interests, coordinating governance of financial assets and supporting the development of individual family members.
- **Provide exit options.** When people feel trapped in a rigid system, they often expend significant effort trying to get out. But when a system provides options to exit, invest differently, etc., relatives tend to focus their efforts on individual development or on enhancing the collective interests of all family branches.

HOLDING FAMILY EMPLOYEES ACCOUNTABLE

Source: *Family Business E-Magazine* November 2007

"Management research has shown that one of the key strategies for enhancing productivity and employee morale is systematic performance management. Yet few family companies take advantage of this strategy," writes family business adviser Leslie Dashew in *Family Business Agenda*, a new annual publication from *Family Business Magazine*. "Creating a culture where family members are held accountable can be difficult." Dashew offers these suggestions for family leaders who wish to make this change:

1. Articulate the vision for the business and explain how continued improvement of performance contributes to this achievement. Communicating this practice to the family as well as to non-family members lets everyone know that working in the business is a privilege, not a right.
2. Establish a system of performance management beginning at the top. The family leader can be reviewed by the board and/or leadership team through a 360-degree process. Then the leader should review each employee reporting to him and document this review in personnel records. Further, the leader should discuss the reviews conducted by his direct reports to ensure they are being completed and are thorough.

3. Implement consequences for non-compliance. In some cases financial rewards can be connected to performance.
4. Support managers who are concerned about fallout from confronting family members' underperformance. Coach them about how to do this in a constructive fashion and assure them they have your backing.

FLEXIBLE SPENDING ACCOUNTS: PROFIT FROM NEW RULES

Compliments of Sequent



In a welcome move for employers and employees, the IRS has relaxed the rules involved in tax-saving flexible spending accounts. Now employees may be able to get an extra 2 1/2 months after year-end to spend the money set aside in their accounts before they lose it. Click "Full Article" for details on how employers and employees can take advantage of the new grace period, along with a worksheet to estimate the tax savings from participating in a flexible spending account. Copyright © 2007

[Full Article](#)

FBC DATES FOR YOUR CALENDAR

Thursday, January 17, 2008 – 7:30 a.m. – 9:00 a.m.

In Alumni Hall at Ohio Dominican University

Topic: Workers Comp Is Changing: Is Your Family Business Prepared?

Roundtable Discussion

Thursday, February 21, 2008 – 7:30 a.m. – 9:00 a.m.

In Alumni Hall at Ohio Dominican University

Speaker: Tim Gase, author of Small Business Savings Plan: 101 Tactics for Controlling Costs and Boosting the Bottom Line

Roundtable Discussion

National Entrepreneurship Week

February 23 – March 1, 2008

Thursday, March 13, 2008 – 7:30 a.m. – 9:00 a.m.

In Alumni Hall at Ohio Dominican University

Roundtable Discussion

Thursday, April 24, 2008 – 8:30 a.m. – 1:00 p.m.

In Alumni Hall at Ohio Dominican University

3rd Annual Take Our Daughters and Sons to Work Day Program

Includes educational program, bus trip to tour central Ohio family business and lunch

Saturday, April 26, 2008 (time to be announced)

Workshop to Develop a Family Business Strategic Plan or Estate Plan

At Ohio Dominican University

Thursday, May 22, 2008 – 7:30 a.m. – 9:00 a.m.

In Alumni Hall at Ohio Dominican University

Speaker: Jane Abell, President and Chief Operating Officer, Donatos

Roundtable Discussion

Family Business Center of Central Ohio

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