



A MONTHLY PUBLICATION OF THE CONWAY FAMILY BUSINESS CENTER OF CENTRAL OHIO
OHIO DOMINICAN UNIVERSITY • 1216 SUNBURY ROAD • COLUMBUS, OHIO 43219 • (614) 334-6129 • WWW.FAMILYBUSINESSCENTER.COM

~ Monthly Message, July 2008 ~

An answer to our craving...

WHITE CASTLE TO HOST FAMILY BUSINESS TOUR

Join the Conway Family Business Center of Central Ohio for our 4th Annual Family Business Tour and Networking Event on **Thursday, August 21, 2008 from 4:00 p.m. – 6:30 p.m. at the White Castle** corporate headquarters, 555 West Goodale Boulevard, Columbus, Ohio.

More than 87 years.
More than 12 family members employed by the business.
More than 413 restaurants.
More than 500,000,000 burgers sold last year alone.
Product in grocery stores coast to coast.
And headquartered right here in Columbus.

The White Castle family will welcome Conway Family Business Center members and their families to this special event. Come and learn more about the first fast-food hamburger chain ever. See the first industrial-strength spatula. Get a look at the first mass-produced paper hat. You'll want to be there to sample White Castle products and join in what could be some of the best conversation about family business in central Ohio history. Reservations are required to participate. Members, please register online at http://www.familybusinesscenter.com/contact_eventreg_new.htm

FAMILY BUSINESS AWARDS PROGRAM

Seeking nominations of outstanding family businesses

The Conway Family Business Center of Central Ohio is gearing up to celebrate our 10th Annual Family Business Awards Program on Friday, November 7, 2008 from 11:30 a.m. --1:30 p.m. at Ohio Dominican University. Over the past 9 years, the Center has celebrated the accomplishments and successes of more than seventy five central Ohio family businesses.



The Center is now accepting nominations of outstanding family businesses for our 10th Awards Program. Make your nominations online at www.familybusinesscenter.com. Nominations will be accepted until Friday, August 15. All family businesses nominated for this awards program will be notified by the end of August.

The Family Business Awards Program is sponsored by Commerce National Bank, Mass Mutual, Chester Willcox & Saxbe, GREENCREST and Business First.

September Family Business Educational Program

PROTECTING YOUR IDENTITY AND THE CONFIDENTIALITY OF YOUR BUSINESS INFORMATION

Every year millions of people become victims of identity theft. It is a serious crime that costs individuals and businesses valuable time, money and resources. In January of 2008, the Federal Government enacted several pieces of legislation to address the growing incidents of identity theft in the United States. Businesses of all sizes are affected. No industry is immune and family businesses must comply. The November 1st federally mandated compliance deadline is quickly approaching.

Join us on **Thursday, September 18th from 7:30 a.m. to 9:00 a.m. in Alumni Hall at Ohio Dominican University** as Julie Friend, Certified Identity Theft Risk Management Specialist of The Lionheart Group and Iggy Galli of R.Dorsey+Company team up to teach family business owners:

- How to comply with new federal law requirements
- How to develop and implement a plan for protecting your identity and the confidentiality of your family business information
- Best practices for collecting, handling, safeguarding and disposing of customer and employee information
- Ramifications for businesses that fail to comply

The federally mandated November 1st compliance deadline is quickly approaching. Is your family business ready?

ANOTHER NEXT GENERATION PEER GROUP NOW FORMING

Limited space available. Reserve your spot!

Due to popular demand, we are forming a second Next Generation Peer Group. What is a Next Generation Peer Group you might wonder? It is a group of individuals, most often between the ages of 21-40, who work for their family's business and who may, one day, have the opportunity to assume a greater leadership role in the company. The discussions of our Next Generation Peer Groups are facilitated by a family business psychologist who encourages self-evaluation of those who chose to participate and invites peer-to-peer input. The purpose of this group is to provide participants with an opportunity to assess individual strengths and weaknesses in order to continue to prepare individually for additional responsibilities in the family business. Topics such as leadership styles, motivations, family dynamics, communication strategies and effective family business governance are discussed. Next Generation peer groups are composed of individuals from varying industries and from non-competing companies to encourage openness and sharing.

The group meets once a month for approximately 90 minutes. If you missed the opportunity to participate in the first group, we're giving you a second chance. E-mail Associate Director, Becky Blatt at blatt@familybusinesscenter.com to indicate your interest. We are in the process of determining dates, times and a meeting location that will work for the majority of those who want to talk, learn and share about the successes and challenges of working in a family business. Cost to participate? None for members of the Conway Family Business Center. If you are not yet a member, your \$385 annual membership fee will be money well spent.

DIRECTOR INSIGHT

Dick Emens, Executive Director & Becky Blatt, Associate Director

As you are well aware, the media is providing us with a great deal of negative business news these days. For an overview that focuses on the big picture we encourage you to read the article by Ben Stein which appeared in the Sunday, July 27th edition of *The New York Times*. We've provided a link to the article below.

[Ben Stein Article in July 27th New York Times](#)

MEMBER NEWS

--Four outstanding women were honored at the 2008 NAWBO Visionary Awards Program this month. Congratulations to these central Ohio family business leaders.

Darla King, President and CEO, King Business Interiors
Lynn Elliott, President, eWynn Inc. dba Columbus Window Cleaning
Dorothy Martin, President, Optimum Companies
Ellen Grinsfelder, President, Inn & Spa at Cedar Falls

--The Bureau of Workers Comp is accepting proposals for educational presenters for the 2009 Ohio Safety Congress & Expo. This annual event is set for March 31-April 2 at the Columbus Convention Center. Presentations must be educational and must refrain from promoting a specific business, product or service. Presenters will have 60 minutes to deliver their information. Deadline for submitting proposal for consideration is July 31st. More information can be obtained by contacting safetycongress@bwc.state.oh.us or by calling 466.8634.

--Conway Family Business Center Service Provider **Commerce National Bank** has a new website. Visit <http://www.firstmerchants.com> to see their new site.

--**Debra Penzone**, President of Charles Penzone Inc., has launched Earth Angels Foundation, an organization focused on uplifting the mind, body and spirit of cancer patients.

--**Ohio Dominican University** has hired Brian P. Nedwek as the 14th President of Ohio Dominican University. Inauguration events will be held September 25-27, 2008.

--Conway Family Business Center Service Provider **GBQ Partners** invites family business owners to GBQ Redbank Profitable Growth Breakfast Series Win Before You Start: Three easy tools to outpace your competitor and capture their customers on Friday August 15, 2008 at the Capital Club, 41 S. High Street, 7th Floor, Columbus, OH 43215 for Breakfast at 7:30 and the Seminar from 8-9:00 a.m. RSVP by August 8, 2008 to Debbie Schierholt at dschierholt@gbq.com or by calling 614.221.1120.

--**GREENCREST** has spiced up the look of the Center's Monthly Message by giving us a "face

lift". Thank you GREENCREST for our new and improved image!

NEW WORKERS COMP CHANGES EXPLAINED OVER LUNCH

Friday, September 17th from 12:00 p.m. - 1:00 p.m.

Last month the BWC Board of Directors voted to reduce the maximum discount available to employers along with accepting a proposal to change how rates are calculated. On **Friday, September 17, 2008**, Janet Wilks, Community Relations Specialist with the Ohio Bureau of Workers Comp has agreed to meet with family business owners to explain these changes. Bring your lunch and join us at the Conway Family Business Center Office, 1348 Sunbury Road (parking is available immediately in front of the building) beginning at noon for a one hour question and answer session to learn how these new changes effect the way you do business. If you can't make it, send your HR Specialist.

Here are the topics planned for discussion:

- New legislation has made changes regarding interstate jurisdiction for businesses that occasionally do business in other states--does this effect your family business.
- Employer adjudication process--understanding the new changes.
- Salary continuation policy--understanding the new changes.
- The new MIRA II reserving system was implemented on July 1, 2008--what does that mean for your business?
- In September, MIRA II information will be added to several service offerings on www.ohiobwc.com supporting the goal of transparency of the reserving system for employers--learn how this will work.

We need to have a head count to make sure we have enough seats at the conference table. Please let us know if you are planning to attend by e-mailing Becky Blatt at blatt@familybusinesscenter.com. This is a session not to miss! Don't forget to bring your lunch.

WHAT HAVE YOU DONE FOR YOUR COMPANY'S FMLA POLICY LATELY?

Source: Jennifer A. Otis, attorney, Chester Willcox & Saxbe

Recent amendments to the Family and Medical Leave Act (FMLA) extend FMLA qualifying leave to the families of members of the U.S. Armed Forces (i.e. "military families leave"). There are two new instances in which an employee can qualify for FMLA leave: (1) Active Duty: Up to 12 workweeks of FMLA leave for a "qualifying exigency" related to the employee's family member (i.e. spouse, child or parent) either being on active duty or being "called up" to active duty and (2) Injured Servicemember: Up to 26 workweeks of FMLA leave for an employee to care for an injured active duty servicemember. (A copy of the full e-alert can be found on the firm's website at www.cwslaw.com.)

You may know that if your company is covered by the FMLA, the U.S. Department of Labor (DOL) requires that your company's FMLA policy be in writing and distributed to all employees. If the company has an employee handbook containing policies

regarding leave, then the FMLA policy must be included in the handbook. Therefore, with the new law comes the need to “amend” the company’s FMLA policy to inform employees in writing of their entitlements and obligations under the new law. However, amending your company’s FMLA policy in its current form to comply with the latest changes to the law regarding military families leave just got interesting: On February 11, 2008 the DOL issued proposed FMLA regulations—virtually on the heels of the January 28, 2008 military families leave amendment—which clarify many other aspects of the FMLA. For example, the proposed regulations cover the areas of notice, exhaustion of paid leave and certification requirements of the FMLA, to name just a few. What’s more—the proposed regulations quite literally pose more questions than answers regarding the new military families leave. Thus, the proposed regulations will almost certainly change in some way before they become final. This stroke of not-so-good timing has left many employers and HR professionals facing the daunting task of amending their FMLA policies not once but, inevitably, twice to be in compliance with the law.

So what is an employer to do? A simple solution is to consider amending your company’s FMLA policy by issuing a brief “supplement” to the FMLA policy to company employees that notifies them of their rights to the new military families FMLA leave. That way, an employee’s entitlements and obligations with regard to all FMLA leave will remain governed by the company’s existing FMLA policy and the supplement until the regulations are finalized. In addition, consider making a copy of the new law available for employees to review by simply posting it with the amended FMLA poster or making a copy available upon request. (A copy of the new law with the changes in bold can be found at www.dol.gov/esa/whd/fmla/fmlaAmended.htm and is actually pretty easy to digest). When the proposed FMLA regulations become final and go into effect the company can take a holistic approach to amending its FMLA policy to cover military families leave and the other changes brought on by the regulations. This approach should ultimately save the company dollars and make much more sense.

PROTECT YOUR BUSINESS FROM ECONOMIC WOES

Source: Family Business Magazine E-News

In the current issue of *Family Business Magazine*, family business adviser Francois de Visscher suggests some steps business owners can take to ease the impact of today’s tough economic climate:

- Research your customers and suppliers. It’s critical to track the credit standing of your largest customers and suppliers, using online sources and other research tools. For example, at the moment your customers may be keeping current on their accounts with you, but that does not mean they are paying other creditors on time. You also want to know if they are in good standing with their bank. Their credit standing can change quickly, so you want to track this regularly.
- **Offer incentives, such as discounts or extra features, to customers who pay earlier or who pay cash.** This can reduce your exposure and even increase sales.
- **Diversify your group of customers, suppliers and bankers** so one large account, or

one dried-up bank line of credit, will not be able to drag you down. Instead of shrinking your marketing budget, this is a good time to intensify your marketing effort to develop new customers. It's also a good idea to shop around for fallback suppliers and bankers.

- **Double your communication with employees.** Make them understand there's an open door if they need to talk about any financial difficulties they are experiencing. Consider offering personal finance workshops to employees as well as shareholders.

SHARING FAMILY COTTAGES, LODGES and RESORTS

Christopher J. Eckrich & Stephen L. McClure, Family Business Consulting Group®

Business owning families often share ownership of family lake or beach homes, or historic home places that have been in family hands for years or generations. These assets can evoke strong emotions and positive memories, and produce feelings of connectedness to loved ones. They also can evoke conflicts over funding, use, abuse, décor and other matters. Sometimes these disputes get so serious, they threaten the family business. Consequently, in many ways, managing family properties requires the same key elements needed to manage a family business: purpose, structure/formality, budgets and trust.

Consider the purpose of a lake cottage a family's place to relax, connect with each other, and have fun. This is the unspoken purpose for many benefactors. Yet purpose needs to be explicit options vary greatly depending upon the purpose. If the purpose is for relaxation and connection, the family will likely hold the property indefinitely. If the property is meant to be an investment, then a run up in property values may lead to sale.

Just as family businesses need more formality as the family grows, a lake home requires organization to accommodate generational transition. Consider the challenges presented. From earliest memory, it starts out as mom and dad's lake home. In our experience, the senior generation usually manages the home and the junior generation accepts that it remains their parents home. Threats to harmony are avoided or nipped in the bud by parental intervention, or through respectful deference that the children pay to the parents.

Status quo is maintained until the parents decide (or have) to pass independent control to the next generation. At this point, many families find themselves without a structure to replace parent leadership for achieving the unspoken mission of relaxing, connecting and having fun. How will decisions be made? Will it be democratic with everyone involved in all decisions or, as many larger families do, representative, where some individuals speak for others? What happens when the rules are not followed, or what exceptions are permissible when individual circumstances make it impossible to meet a financial obligation, families are most likely to avoid destructive family tension when all involved have a clear understanding of how decisions will be made and conflicts resolved.

The following is an example of a lake cottage management structure where three siblings share ownership and management.

- **Decision Making:** Siblings have one vote each. Spouses do not vote but are present at meetings. Majority rules.
- **Meetings:** Group meets once a year for conducting the business of the cottage.
- **Celebration weekend:** For siblings and spouses only, no children. Second weekend in

June.

- **Usage:** Names drawn randomly to determine first choice of weekly usage, rotate in subsequent years, trades allowable. July 4th weekend is an all-family weekend.
- **Governance:** Janet serves as president and facilitates meetings. Rob serves as treasurer and manages budgets, payables and receivables.
- **Budget:** Annual assessment (\$5,000 per sibling, perhaps funded from trust distributions) for taxes, maintenance and repair.

Families use annual group meetings to decide upon rules of engagement, consider exceptions or changes to the rules, and resolve how they will hold all accountable. Many use the annual meetings to rotate roles (i.e. president, treasurer) thus fostering involvement, though two to three year terms can provide additional stability.

A major challenge arises when some heirs are less interested in or able to use the property than others, or lack financial resources for its upkeep. Early generations do their heirs a favor when they provide funding, usually through trusts, to maintain the property. When this option is not available, some families adopt usage fees to cover operating costs. Those who use the property most contribute most to its upkeep. The situation gets more complicated when some see the property as an investment (and want to cash out), and others see it as a place for connecting and relaxation. These differing visions will stress the family, which is why we so strongly recommend that the granting party articulate purpose first, and that it be reaffirmed often.

Specific written procedures for exiting ownership promotes planning and reduces awkwardness. Family health enhanced when members are not required to share a property as a symbolic ticket to family membership. It must be okay to withdraw or politely decline an invitation to participate in the first place. Independent appraisers can set buyout prices to ease the tension.

Written rules promote fairness, which in turn promotes trust among family members. Rules should be designed to preserve and promote the property's purpose, and minimize needless conflict. Many families feel uncomfortable, even unnatural, with rules governing the use and maintenance of shared properties. Paradoxically, trying to avoid relationship discomfort by establishing some basic rules actually increases the risk of damaging those relationships by leaving expectations ambiguous.

Sharing family properties to promote family glue requires increased management effort with each succeeding generation. An extended family of well-connected cousins provides grounding and identity, the continuation of which can be facilitated by the cabin in mountains, the retreat lodge on the lake, or the beach home. A property that is preserved into the third generation can help promote relationships among those who might otherwise cease to put forth the effort. Our family business clients have found that well-crafted vision statements, shareholder agreements, and codes of conduct are key ingredients in preserving successful businesses. These same support structures allow families to manage shared vacation properties across generations.

INPUT REQUESTED FOR FAMILY BUSINESS RESEARCH

If you are a board member or chairman of a family business, you are invited to participate in a research project investigating the structure and practices of family business boards. The

researchers include Dr. John L. Ward, the head of the Kellogg Center for Family Enterprises at Northwestern University and highly acclaimed author of numerous books, including [Creating Effective Boards for Private Enterprises: Meeting the Challenge of Continuity and Competition](#), and Dr. Jennifer Pendergast, an expert in family business governance. Both are members of the Family Business Consulting Group, Inc. ®.

By participating in the survey, you will advance the study of family business boards, an important area of research in which data is scarce. The survey is short and easy to take. It should require 10 minutes of your time. The survey is anonymous. Your name or company information will not be captured in any way. Our sole purpose in conducting the survey is to gather information for an upcoming book on best practices and operating norms for family business boards.

To take the survey, click on the link below and follow the easy instructions.

http://www.surveymonkey.com/s.aspx?sm=RjmeWhxnqK_2be_2btC2NoZgHw_3d_3d

Research results will be shared with Family Business Center Directors upon completion of the study. Thank you for your participation.

WHAT ARE YOUR FUTURE WORKFORCE NEEDS?

One of the top priorities of the Columbus Chamber of Commerce is to attract and retain a talented workforce in the Columbus Region. One of the Conway Family Business Center's top priorities is to help family-owned businesses successfully transition the family business from one generation to the next so that it may continue to grow and thrive in our community. Workforce is a key component in the vitality of our region, today and in the future. In order to gain information on future workforce needs the Chamber and the Conway Family Business Center are assisting two workforce-oriented organizations, Sequent and The Human Capital Institute (HCI), in distributing a survey to employers. The results of this survey will be analyzed and shared at an upcoming Talent Summit hosted by Nationwide Insurance on October 23, 2008. The survey seeks feedback of employers in the Columbus Region. If you are interested in participating in this worthwhile Workforce Survey, please do so by Friday, August 1, 2008.

Workforce Survey can be accessed at:

www.custominsight.com/survey/multi.asp?sid=columbuschambersurveydohn9a&s=1

If you have any questions regarding the survey, please contact [Andrea Applegate](#) at the Columbus Chamber of Commerce.

LONG-TERM CARE INSURANCE CAN BE A TAX-FREE FRINGE BENEFIT

Compliments of Sequent



Long-term care insurance grows more attractive, depending on who buys the policy. There's a big difference in the tax implications of a long-term care policy purchased by an individual and the same policy purchased by your business. To find out how to maximize the tax benefit before you buy, read the "Full Article."

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[Full Article](#)

FBC Events for Your Calendar

Tuesday, July 29, 2008 – 7:30 a.m. – 9:00 a.m.

Conway Family Business Center Office in LasCasas at ODU
Women in Family Business Peer Group

Tuesday, August 12, 2008 – 7:30 a.m. – 9:00 a.m.

Next Generation Family Business Peer Group
Ohio Dominican University Office at Easton

Thursday, August 21, 2008 – 5:00 p.m. – 7:00 p.m.

At White Castle System, Inc. 555 West Goodale Boulevard
5th Annual Summer Family Business Tour and Networking Event

Tuesday, September 9, 2008 – 7:30 a.m. – 9:00 a.m.

Ohio Dominican University Office at Easton
Next Generation Family Business Peer Group

Thursday, September 18, 2008 – 7:30 a.m. – 9:00 a.m.

In Alumni Hall at Ohio Dominican University
Educational Program--Protecting Your Identity and the Confidentiality of Your Business Information

Tuesday, September 23, 2008 – 7:30 a.m. – 9:00 a.m.

Conway Family Business Center Office in LasCasas at ODU
Women in Family Business Peer Group

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

In Alumni Hall at Ohio Dominican University
Educational Program—Schoedinger: Sustaining Family Business for Six Generations

Friday, November 7, 2008 – 11:30 a.m. – 1:30 p.m.

In Alumni Hall at Ohio Dominican University
10th Annual Family Business Awards Program

Thursday, December 4, 2008 – 7:30 a.m. – 9:00 a.m.

In Alumni Hall at Ohio Dominican University
Educational Program—Marketing for Family Business

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Membership in the Conway Family Business Center of Central Ohio is open to all family businesses in Franklin, Delaware, Knox, Licking, Pickaway, Madison, Marion and Union counties. **For more information about the benefits of membership visit www.familybusinesscenter.com.**

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