



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, September 2008 ~

September Family Business Educational Program

### **PROTECTING YOUR IDENTITY AND THE CONFIDENTIALITY OF YOUR BUSINESS INFORMATION**

Join the Conway Family Business Center 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 advise family business owners:

- 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, vendor and employee information
- How to comply with **new** federal law requirements to protect the confidentiality of employee, customer and vendor information
- Ramifications for businesses that fail to comply

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. Is your family business in compliance? Come join us for this eye-opening, informative presentation that will send you back to your office with a "to do" list that will help you get in compliance.

Register now to attend this important educational program by sending e-mail to [blatt@familybusinesscenter.com](mailto:blatt@familybusinesscenter.com) or here at [online registration](#).

### **NEW WORKERS COMP CHANGES EXPLAINED OVER LUNCH** Friday, September 19th from 12:00 p.m. - 1:00 p.m.

This summer, 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 19, 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](http://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](mailto:blatt@familybusinesscenter.com). This is a session not to miss! Don't forget to bring your lunch.

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**Thursday, October 9, 2008 from 7:30 a.m. - 9:00 a.m.**

### **SUSTAINING FAMILY BUSINESS FOR SIX GENERATIONS**

#### **Schoedinger Family To Offer Insight on Staying in Business for 150+ Years**

In celebration of the Conway Family Business Center's 10th Anniversary this fall, the Schoedinger Family of Schoedinger Funeral and Cremation Service has accepted our invitation to be the speakers for our educational program on October 9th. We felt there is no one better than the family members of central Ohio's oldest family business to offer insight on family business longevity and success. Plan to join us on **Thursday, October 9, 2008 from 7:30 a.m. - 9:00 a.m.** at Ohio Dominican University as we learn first hand from the leaders of generations 5 and 6 of Schoedinger Funeral and Cremation Service about the practices, the culture and the family philosophy that has kept the family intact and in business for more than 150 years.

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#### **DIRECTOR INSIGHT**

##### **Dick Emens, Executive Director & Becky Blatt, Associate Director**

We recommend each of our Family Business Members and Service Provider Members familiarize themselves with State Issue 4. While The Center does not take positions on political issues, we do urge that you become informed as this issue could adversely affect your businesses.

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#### **GOVERNOR, LT. GOVERNOR STATEMENT OF PAID SICK-DAY BALLOT INITIATIVE**

**Source: Governor's Office Press Release, August 22, 2008 [www.governor.ohio.gov](http://www.governor.ohio.gov)**

**Columbus, Ohio-** Governor Ted Strickland and Lt. Governor Lee Fisher today issued the following statement regarding their opposition to Issue 4, the proposed paid sick-day initiative, on the ballot this November:

“While important members of the business community and SEIU participated in good faith discussions, it was, unfortunately, not possible to achieve a compromise acceptable to a sufficient portion of the business community and the proponents to cause its removal from the ballot. We regret that a reasonable compromise was not possible. This reality means that there will be a hard fought campaign centering on this initiative in the coming months. During that campaign, we call upon both sides to avoid portraying Ohio as unfriendly to business and economic development.

“We also recognize it is important to make clear our thoughts on important public policy issues and today are announcing that we cannot support the paid sick-day ballot initiative. While we would hope that all Ohio businesses would make paid sick days available to their employees whenever possible, we believe that this initiative is unworkable, unwieldy and would be detrimental to Ohio's economy, and we will be opposing it and asking Ohioans to oppose it as a result.”

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## **MEMBER NEWS**

Congratulations to Jennifer Griffith on becoming President and CEO of Commerce National Bank (CNB), a long time service provider member of The Conway Family Business Center. Additionally, Cathy Dieckman has been named Executive Vice President and COO. Thomas D. McAuliffe, who founded Commerce National Bank along with 12 other businesspeople in 1991, will continue to be active with CNB as Chairman of its Board of Directors with additional responsibility in customer development and management.

Congratulations to John Schuman being named a partner in Budros Ruhlin Roe. John is a member of the Advisory Board of The Conway Family Business Center.

Business First will be holding their September Breakfast with Business First on September 12, 2008 from 7:00 a.m. - 9:00 at the office of King Business Interiors, a Conway Family Business Center member. Registration to attend this event can be made by e-mailing Sarah Bednar at [sbednar@bizjournals.com](mailto:sbednar@bizjournals.com)

Conway Family Business Center member Donatos has expanded its sponsorship with Ohio State University which now includes exclusive vendor rights to sell pizzas during Buckeye football games held at Ohio Stadium.

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## **NEW MEMBER**

### **Shields Sales & Service, Inc.**

Ed Shields, Don Shields

8998 Indian Mound Road, Pickerington, Ohio 43147 (800) 263-6840

[www.shieldssalesandservice.com](http://www.shieldssalesandservice.com)

Shields Sales & Service, Inc. is a family-owned business with over 30 years of combined experience in transportation sales and operations in Ohio, Pennsylvania, Florida and California. Located in central Ohio, Shields Sales and Service is able to offer clients superior opportunities for distribution throughout the U.S., Canada and the international business arena. Through an affiliation with Cost Recovery Solutions, Inc., Shields Sales & Service provides cost recovery

services to their customers in the areas of transportation, accounts payable, utilities, healthcare, IT and document fleet management.

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## **PowerPhilanthropy**

**A revolutionary online tool to provide information on local nonprofits**

As someone who cares about charitable giving, you want to know that your efforts will make a difference. You understand that supporting a nonprofit organization is more than check-writing—it's an investment in your community. With you in mind, The Columbus Foundation has developed a new online tool to make research and giving easier and the Conway Family Business Center is pleased to be a part of it.

### **As a simple, searchable database, PowerPhilanthropy:**

- Connects you with nonprofit organizations and programs that strengthen the community:
- Enriches your knowledge of the nonprofit sector by delivering in-depth portraits of hundreds of local organizations. These comprehensive portraits tell stories and offer vital information about programs, finances, management, and services.

PowerPhilanthropy was created to provide donors with the knowledge and resources needed to make effective giving decisions, and to lift up the strengths and needs of the local nonprofit sector.

Accessing PowerPhilanthropy is easy. Just log onto [www.columbusfoundation.org](http://www.columbusfoundation.org) and register for a username and password. Using PowerPhilanthropy you'll be able to find information about organizations easily or manage your giving, safely and securely online, from anywhere at anytime.

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## **RESOLVING FAMILY OWNERSHIP ISSUES**

**Source: Family Business Magazine E-News August 2008**

Businesses need capital to grow; families need capital to live. In a family company's early years, both goals can be accomplished rather simply: Family members are compensated for working in the business, and profits are reinvested in the company. But when the business transitions to later generations, things get complicated because there are likely to be family shareholders who don't work for the company. These shareholders may be relying on dividends from the business to fund their lifestyles. Since they have little firsthand experience with the business, they may not understand its needs, and may not go along with management's plans to forgo dividends in favor of investing in new equipment or new ventures. There are several things a business family can do to prevent such impasses. One is to keep inactive shareholders informed about plans for the business so they understand why it's crucial to fund the strategic plan. Another remedy is to provide a means for unhappy shareholders to cash out through buy-sell agreements. Yet another solution is to seek outside sources of capital so the needs of the family and the business can be accommodated.

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## **QUESTIONS CAN EASE GENERATIONAL TRANSITIONS**

**Craig E. Arnoff, Family Business Consulting Group®**

At each generational transition, business-owning families face many questions. The older

generation is appropriately concerned about the younger generations intentions, especially when several siblings or cousins will be involved. Certain issues must be discussed and resolved, and incumbent leaders provide a great service by assuring that upcoming leaders have thought through matters critical to long-term success.

We urge the older generation to challenge the next generation with a series of questions. Some questions will be specific to the particular family business. Others confront virtually all enterprises. Ask that the next generation consider the questions together and provide written answers on which they will all agree as a group.

Here are some questions presented by a third generation CEO to the fourth generation's five cousins employed in the business and who will also have significant ownership positions. Their collective answers have eased the generational transition. They may also prove useful in your family business.

- How do you plan to work together as owners?
- What composition do you imagine the board of directors? Will you use outsiders? Do you all anticipate being board members? How will you decide who serves on the board?
- Were I to phase out of day-to-day management over the next three years, a.) What would you expect the structure of the executive management to be at that time? b.) How would you expect to get from here to there? c.) Do you see gaps in the executive team and how would you go about filling them?
- What do you expect my role to be over the next three years (how can I help you with the transition) and what role, if any, do you expect me to play after that time?
- What are the key issues currently confronting us? How would you address them?
- What are your thoughts on the strategic direction of the company for the next 5-10 years? What are your attitudes toward growth? Acquisitions? Divestitures? Starting new ventures?
- What major changes, if any, would you seek to make in the company over the next five years?
- What are your long-term plans? Do you hope to keep the business in the family for the next generation?
- What policies have you developed related to: compensation; performance evaluation (of the president, board members, other executives); future family involvement; your long-term plans for life-long financial security; your thoughts on the disposition of your stock; corporate debt; appropriate levels of return on investment; etc.
- Would you make any changes in our corporate structure, by-laws, shareholders' agreement or other governing documents?

Answering such questions as a group takes time and may reveal conflicting views. The investment of effort and the risk of uncovering differences are a small price to pay for developing a common voice and vision. If the group is unable to provide solid answers, it is not ready for the reins. When it articulates its shared and well-considered program for the future, the older generation should feel not only confidence, but pride.

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## **ENSURING SUCCESS THROUGH EXECUTIVE ONBOARDING**

**By: Robert Drovdic, the Global Consulting Partnership**

Onboarding has become one of the fastest growing buzz words in the corporate world, and its definition has grown along with its popularity. The term has come to include

everything from getting the office keys to onboarding coaching. The lack of consensus and clarity is unfortunate, especially as it relates to new executives. Often, true onboarding of leaders is neglected because HR or the hiring manager want to avoid insulting an established professional with a process considered only for lower-level employees or with the suggestion that he or she might need some extra assistance. Such fastidiousness is unwarranted, and actually dangerous, given the number of newly-placed executives who fail.

On boarding of key executives is even more critical than it is for the other employees due to the significantly great performance expectations leader's face and the greater impact they have on the overall performance of the organization. The demand for executives to keep pace with and even ahead of the learning curve has increased dramatically in the past several years. Such demands routinely take their toll. Fully 40% of newly hired or promoted key employees fail within the first 24 months. Furthermore, it has been estimated that the failure and departure of the newly placed executive can cost the company two or three times the executive's salary.<sup>[1]</sup>

General reasons for these failures are typically described as a lack of cultural fit, inability to develop effective teams, a lack of political savvy, a lack of an assimilation process, and an unclear understanding of what leadership expects. Apparently, many companies expect new leaders to have all the skills necessary to clear such hurdles easily. After all, these are people who have been hired because of their qualifications, training, and apparent fit with the role. While many companies have yet to understand the substantial impact of investing early in executives' success, some have begun blazing the trail.

To learn more about the value of Onboarding visit  
<http://files.e2ma.net/10245/assets/docs/onboarding.pdf>

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[1] Wells, Susan J., Diving in: neglecting to help the new executive get into the swim of things quickly can incur enormous organizational costs., HR Magazine, March 2005

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## **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 have or may 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](mailto: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.

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## AVOID PITFALLS IN MISCONDUCT POLICIES

### Compliments of Sequent



**A list of typical misconduct examples** is common in employee handbooks. But misconduct policies can set a trap for you. A trap that an employee can exploit. Click "Full Article" for details.

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[Full Article](#)

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## FBC Events for Your Calendar

### **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

### **Friday, September 19, 2008 – 12:00 p.m. – 1:00 p.m.**

Conway Family Business Center Office at Ohio Dominican University  
Brown Bag Lunch with Workers Comp

### **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  
10<sup>th</sup> 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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Conway Family Business Center

J. Richard Emens

**of Central Ohio**

Ohio Dominican University  
1216 Sunbury Road  
Columbus, Ohio 43219  
[www.familybusinesscenter.com](http://www.familybusinesscenter.com)

Executive Director  
(614) 334-6129  
[emens@familybusinesscenter.com](mailto:emens@familybusinesscenter.com)

**Becky Blatt**

Associate Director  
(614) 253-4820  
[blatt@familybusinesscenter.com](mailto:blatt@familybusinesscenter.com)

**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](http://www.familybusinesscenter.com).**

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built to propel our clients to become  
distinguished category leaders—**always.**