



A MONTHLY PUBLICATION OF THE CONWAY FAMILY BUSINESS CENTER OF CENTRAL OHIO
OHIO DOMINICAN UNIVERSITY • 1216 SUNBURY ROAD • COLUMBUS, OHIO 43219 • (614) 253-4820 • WWW.FAMILYBUSINESSCENTER.COM

MONTHLY MESSAGE

Issue: JUNE 2009

Coming in August...

Family Business Tour and Networking Event at the Charles Penzone Grand Salon at Polaris Parkway



Thursday, August 20, 2009

4:00 p.m. - 6:30 p.m.

771 Polaris Parkway
Lewis Center, OH 43035

Conway Family Business Center members and their guests are invited to attend our 6th Annual Family Business Tour and Networking Event being held on Thursday, August 20th from 4:00 p.m. to 6:30 p.m. Debra and Charles Penzone and their staff will welcome us to their Grand Salon at Polaris Parkway and provide us with an up close and personal tour of their family business. Find out what makes this 40 year old Central Ohio business successful. See what happens when professionals make guests look and feel their very best. Come and learn about one of Central Ohio's finest family-owned businesses.

RSVP's required by Friday, August 14th. Please e-mail Deana Gordon, Program Coordinator at gordon@familybusinesscenter.com to let us know if you will be attending.

FAMILY BUSINESS NIGHT AT THE COLUMBUS CLIPPERS

On Tuesday, June 16, 2009 members of the Conway Family Business Center spent the evening at the new Huntington Park cheering on the Columbus Clippers as they beat the Rochester Red

Wings 10-3 . We were joined by more than 50 people who have a connection to the Center either as family business owners, service providers or as part of our extended family for Family Business Night at the Clippers. We even had three generations of the Reynolds Family (Rent-A-John) and three generations of the Harmon family (Spartan Logistics) in our company that evening.

DIRECTOR INSIGHT

Dick Emens, Executive Director & Becky Blatt, Associate Director

Although there are no educational programs scheduled during the summer months at the request of our members, that does not mean the Center staff is on vacation. The Next-Generation Peer Group and the Women's Peer Group continue to meet in June, July and August. We hold two networking events, the Clippers game which was held in June and the upcoming Family Business Tour and Networking Event at Charles Penzone's Grand Salon on Polaris Parkway scheduled for August 20th. In addition, this is a time we do our own continuing education programs, meet with directors of other U.S. based Family Business Centers and work on developing a new strategic plan for the Center with the help of our Advisory Board members and under the guidance of Jim Hendrickson of Sterling Commerce. Meanwhile, Becky and Deana have begun preparations for the 11th Annual Family Business Awards Program that will be held in November (more information about that special event in next month's Monthly Message). We hope that each of you will set aside time to enjoy the company of your family in an activity that lets you relax and takes you away from your business for a little while.

NEW MEMBER

EHC Incorporated

Skip Campbell & Carey Dunbar

275-J Old County Line Rd, Westerville, OH 43081 ph: 614.885.2497 www.ehcincorporated.com

In 1983 Skip Campbell started EHC Incorporated, a company that focused on providing printed products and services to Central Ohio companies. Through the years Skip grew his business and expanded to total print management and consulting. Skip's daughter, Carey Dunbar, joined the company in July 2008 and has recently refreshed their identity. EHC Incorporated today provides 1. Brand Strategy and Identity Design 2. Integrated Marketing Programs and 3. Branded Product Management. EHC offers their clients end to end solutions from a single source for all their marketing, visual communications and transactional needs.

MEMBER NEWS

Ellen Grinsfelder, President/Owner, **The Inn & Spa at Cedar Falls**, a Conway Family Business Center member, is a finalist in NAWBO's Visionary Awards Program which honors women who have achieved success in their respective fields and made notable contributions to their communities, their industries, and to professional women's objectives.

Conway Family Business Center Service Provider, **Sequent** has announced the debut of their new website www.sequent.biz. In partnership with Conway Family Business Center member Mlicki, Sequent has redesigned and rebuilt their site from the ground up.

The Columbus Foundation's Spring Newsletter featured a Q & A with Conway Family Business

Center Member **Tanny Crane of Crane Group** on the topic of philanthropy.

Barney Corporation has recently moved their offices. Their new address is: 4089 Leap Road, Hilliard, Ohio 43026.

Tim Cook of R. Dorsey+Company delivered a presentation at the request of Lois Griggs of Courtesy Ambulance, at her industry's annual conference. Tim shared information with conference attendees about the importance of disaster planning.

Conway Family Business Center member **AVI Media** announced a new service being provided by their company. AVI Media now supplies audio visual equipment for meetings along with set-up, tear down and technical support.

Velvet Ice Cream has announced that they have introduced three new flavors of ice cream to the market including a Chocolate Chip Cookie and Cookie Dough Ice Cream that has been created in partnership with Max & Erma's Restaurants in addition to Chocolate Lovers Trio and Chocolate Covered Strawberries.

Pelotonia is a new grass roots bike tour in Columbus with one goal: to end cancer. Pelotonia raises money for innovative and life saving cancer research at The Ohio State University Comprehensive Cancer Center- James Cancer Hospital and Solove Research Institute in Columbus. Conway Family Business Center members **Jim Balthaser, Tanny Crane, Brandon Dupler, Harvey Glick, Bill Hutter, Lisa Jolley, Gary Marcinick, and Dwight Seeley** have each committed to ride between 25 and 180 miles in Pelotonia during the weekend of August 28th. Good luck riders!

WOMEN IN FAMILY BUSINESS PEER GROUP

Next Meeting: Tuesday, July 14, 2009 at Ohio Dominican University

The next meeting of the Women in Family Business Peer Group will be held on Tuesday, July 14, 2009 from 7:30 a.m. - 9:00 a.m. in Las Casas House at Ohio Dominican University. The topic for discussion will focus on loyalty and the positive and negative effects loyalty can have on a family business. Oftentimes we continue to be loyal to family members, employees, customers or suppliers long after the relationship has ceased to be beneficial to the business. Bea Wolper, co-founder of the Center and partner in Emens Wolper Law Firm will help us look more closely at the loyalties that we keep and offer a framework for evaluating the impact these relationships have on our family business. If you are planning to attend this program, please e-mail Associate Director, Becky Blatt at blatt@familybusinesscenter.com.

GOODMAN STUDY ON LONGEVITY IN FAMILY FIRMS

Source: Family Firm Institute

Since the mid-1980's the family business field has operated under the same assumptions regarding firm survival, leading to the oft-used axiom "from shirt sleeves to shirt sleeves in three generations." The unchallenged statistical standard of 30% of firms survive through the 1st generation, 13% through the 2nd and only 3% through the 3rd has shaped the way that families operate and plan for their future. However, still relatively little is known about the wide-scale accuracy of these figures or, more importantly, how to understand them. It is time for us to revisit our long-held assumptions on family firm longevity and uncover the driving forces behind them.

Inspired by John Ward's original study on longevity, from which the above figures are derived, and made possible by the collaborative effort of Joe Goodman, the Family Firm Institute (FFI) and the Babson STEP Project, this study seeks to go beyond statistical measures of how many firms survive by exploring critical drivers in family firm longevity. We view the family, not the firm as the primary vehicle for long-term value creation. As a result, we focus on how families not only pass on the business from one generation to the next, but how they transfer the entrepreneurial mindset and resources to create new streams of value over time.

In order to participate in this survey, simply visit: www.LongevityStudy.org and fill out the survey. We ask that this is completed by the highest ranking family member within your family firm.

Please feel free to pass this website along to other families that you believe would benefit from participating.

Your participation will impact the way that family businesses are understood for years to come. Not only will you be advancing the field of family business, but also engaging in a larger conversation of what longevity in family firms looks like.

BUY-SELL AGREEMENTS EASE OWNERSHIP TRANSITIONS

Source: Family Business Magazine E-News May 2009

A carefully crafted buy-sell is essential for smooth transition of ownership upon the occurrence of several key events, notes Anita Grossman of Sagemark Consulting, a division of Lincoln Financial Advisors, in the current issue of *Family Business Magazine*. These events include:

1. **Death of a shareholder.** The business can suffer a financial setback (key person loss). This problem can be compounded if the surviving shareholders must take on the deceased owner's spouse as a partner. Harmonious transition of the business can be accomplished with a buy-sell agreement that is fully funded with life insurance.
2. **Disability of a shareholder.** While most buy-sells take an owner's death into account, many ignore disability, which could be a more serious financial drain. Of course, the disability agreement should be fully funded.
3. **Departure of a shareholder.** When a shareholder leaves, owing to a retirement or for other reasons, his or her interest in the business should be purchased.
4. **Divorce of a shareholder.** There should be a provision in the buy-sell that requires the former spouse to sell stock back to the corporation, the original shareholder or the other shareholders.
5. **Deadlock.** If equal owners have a major disagreement, the business may be unable to move forward or operate normally. A thorough buy-sell agreement would take this hypothetical circumstance into account.
6. **Disagreement among minority and majority owners.** If there is a major disagreement among unequal owners, a minority shareholder could be forced out of active employment. In that case, it would also probably make sense to purchase his or her interest.
7. **Default.** In most closely held corporations, the individual shareholders must personally guarantee corporate loans from banks or contribute payments to the bank or the business. There should be a provision stipulating that if a shareholder defaults, a buyout would be triggered for his or her interest.

WHAT A FAMILY SHAREHOLDER MUST COMMIT TO DO

Source: Family Business Magazine e-News June 16, 2009


"The family's commitment to [its] business is a significant business asset in itself, fostering a kind of drive that impersonal corporations can envy," writes family business adviser Ellen Frankenberg in *The Family Business Shareholder's Handbook*. Frankenberg offers a "job description" for an owner of a closely held family business, listing special competencies that a shareholder needs in order to be successful. Here is her list of commitments an owner must make:

- Attends scheduled family meetings each year to clarify family goals pertaining to the business.
- Nominates competent board members, if not equipped to serve personally.
- Serves as ambassador of the business in the community as needed.
- Helps raise the next generation and develop leadership in potential successors.

PULL THE PLUG ON EMPLOYEE THEFT

Compliments of GBQ Partners



Sticky fingers erode profits, create losses -- and in some cases even cause bankruptcy. Be vigilant and you can stop thieves in their tracks. Read the "Full Article" for 18 ways to go about preventing theft of cash, inventory, intellectual property and more. Copyright © 2009  [Full Article](#)

Upcoming Events for Your Calendar

Thursday, July 9, 2009 -- noon - 1:30 p.m.

In Ohio Dominican University Classroom Space at Easton
Next-Generation Peer Group II

Tuesday, July 14, 2009 -- 7:30 a.m. - 9:00 a.m.

Las Casas House at Ohio Dominican University, 1348 Sunbury Road
Women in Family Business Peer Group

Thursday, August 13, 2009 -- noon - 1:30 p.m.

In Ohio Dominican University Classroom Space at Easton
Next-Generation Peer Group II

Thursday, August 20, 2009 -- 4:00 - 6:30 p.m.

At Charles Penzone -- Polaris Grand Salon
Family Business Tour & Networking Event

Thursday, September 17, 2009 -- 7:30 a.m. - 9:00 a.m.

At Ohio Dominican University in Alumni Hall
Educational Program: Will Your Family Business Benefit from an Advisory Board? Yes!

Thursday, October 15, 2009 -- 7:30 a.m. - 9:00 a.m.

At Ohio Dominican University in Alumni Hall
Educational Program: Creating a Strategic Plan that will work for your Family Business

Friday, November 6, 2009 -- 11:30 a.m. - 1:30 p.m.

At Ohio Dominican University
11th Annual Family Business Awards Program

Thursday, December 3, 2009 -- 7:30 a.m. - 9:00 a.m.

At Ohio Dominican University in Alumni Hall

Educational Program: The Best Gift You Can Give Yourself and Your Family Is A Succession Plan

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Membership in the Conway Family Business Center of Central Ohio is open to all family businesses in Central Ohio. **For more information about the benefits of membership visit** www.familybusinesscenter.com.

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