



News Briefs

November 2003

Welcome THE BUSINESS NEWS

We are pleased to introduce **The Business News** as an Associate Sponsor for the Forum. Through this new relationship, Forum members and sponsors will receive complimentary subscriptions to **The Business News** and the Forum will receive advertising in **The Business News**, including advertising layout and design through Rivernorth Communications of DePere. In return, **The Business News** will be recognized in our publications, introduced at programs, and recognized at our annual dinner.

Launched in May of 2003, **The Business News**, published biweekly, is a relatively new publication in a 10-county area of northeast Wisconsin. Jerry Mader, the publisher, brings over 18 years experience with business newspapers to our region. While with **American Business Journals** in Cincinnati, he supported a similar relationship with the Goering Center for Family Business at the University of Cincinnati's College of Business.

Jerry's is a family business. While Jerry is the publisher and handles the advertising side, his wife Roseann does the administration and manages circulation. Jerry and Roseann have two school-age sons.

One of Jerry's business concepts is advertising and news are totally separate divisions of his business. According to Jerry, there is not, and won't be, any direct relationship between buying advertising in his publication and getting a news story printed. He encourages all of us to send newsworthy items to his editor, Larry Desch, ldesch@the-business-news.com

Jerry has also assured us that if one his reporters attends a program or meeting, the reporter will be "off the record". Jerry recognizes the importance of the Forum's safe, confidential environment and states that will be respected.

Jerry will be introduced to the membership at our December 2th program. I hope you will be there to welcome him.

A Potpourri of Critical Legal Issues for the Family Business

December 2, 2003
Butte des Morts Country Club, Appleton

Over the last eight years, the Forum has been asked to provide a wide variety of assistance to members as they have worked through the estate planning and succession processes and other general business processes. When asked in September of 2002 whether members would like a program on agreements, the Program Committee was not surprised by the overwhelming "yes" from members.

Asked by the Program Committee to make this presentation, McCarty Curry Wydeven Peeters & Haak, LLP (MCWPH) agreed. MCWPH is a charter sponsor of the Forum and the largest business law firm in northeast Wisconsin. Over the past eight years, members of MCWPH have facilitated group discussions, provided peer group presentations, and provided considerable legal assistance as part of their sponsorship.

For this program, six members of MCWPH will provide focused presentations and answers to your questions on issues that family businesses need to understand. Following a general session on basic estate planning, you will be able to attend two of the following breakout sessions:

- Advanced Estate Planning
- Buy and Sell Agreements
- Employment Law Issues
- Buying and Selling Businesses, (or Parts Thereof)
- Legal Issues in Contracts and Negotiations

Don't miss this opportunity to talk with Scott Barr, John Esler, Jennifer Koepl, John Russo, Christine Wanless, and Kurt Wanless about issues of relevance and importance to you.

Registrations for this program and for breakout sessions are due to Ann Stein by November 24.

If and/or When the Business Outgrows the Family

Mike Altschaeffl, partner in charge of the Milwaukee office of Grant Thornton LLP, and Mark Johannsen, partner in charge of their Appleton office, brought knowledge and humor to this topic. In identifying the issues and options related to transitioning the business when the business needs and the family resources are not well matched, they brought knowledge, shared family business cases, provided potential solutions, and responded to member questions.

Whatever strategy is chosen, the importance of positive family relationships cannot be overstated, and was echoed throughout the presentation. Good, open, honest communication is definitely the cornerstone of managing the family business.

Solutions to the issues that arise between active vs. inactive shareholders were presented. A voting trust was identified as one mechanism that active shareholders can initiate to maintain control for the current and successive generations.

The process of transitioning to non-family professionals was detailed with the caveat that often the first non-family president is a poor fit and short-term due to inexperience in the process of hiring and assimilating a non-family executive.

As the pros and cons of recapitalization and its options were presented, Mark and Mike commented that this is often the first stage in selling the business.

The details of selling the business were explained with the admonition that this is an “horrendous process”, often causing relationships to deteriorate from the initial letter of intent to the final sale. Suggestions were made regarding how to prepare for the sale, including preparing the business, the family, and the management.

The list of possible strategies for the issues raised included effective communication, board of directors, advisory board, family council, family meetings, stock liquidity plans, stock repurchase plans, voting trusts, preferred stock, and compensation for compensation and distributions for cash flow.

Family business owners were challenged to persistently work on the development of these strategies for the long term success of the business. Thanks goes to Grant Thornton, LLP for their contributions to the Forum!

Managing Health Care Costs

On September 11, Richard Blomquist, Terry Maves, Craig Smith, and Gregg Underheim provided a very informative presentation on the state of the health care industry, cost drivers, management techniques, current legislation, and what we can expect

in the future. As part of the program, participants had an opportunity to meet in groups to discuss issues specific to their businesses. Richard and Terry met with employers with more than 50 employees, while Jolene Thorson and Rob Maasch met with employers with 50 or less employees.

Participants at the program commented that the presenters were excellent and very well informed; that the information was timely and understandable; and that remedies, as opposed to only problems, were provided.

Thanks to Jim Janes of Oshkosh Marine Supply for coordinating the program and to Craig Smith of Retained Earnings Company for facilitating it.

Member News

Ganther Construction has announced the formation of a new company called MartinGanther Group. The entity, co-owned by Tom Martin and Ben Ganther, will provide design and project development services. Martin was named president of Ganther Construction, while Ben is chief executive officer and chairman of the board.

J. J. Keller & Associates, Inc. has announced significant enhancements to its Drug & Alcohol Program Management services. These enhancements extend Keller's current services to include the audit and retention of company documentation, e-mail program notifications, web-based reporting and follow-up test tracking.

Do you know that approximately two-thirds of the Forum members now have **web sites**? Members are providing a wide variety of information and services through their sites. To quickly and easily view what your fellow members are doing with their sites, go to www.uwosh.edu/wbf/ and click on the members link on the left side of the home page. Notice how many are proudly stating they are family owned businesses.

Affinity/Peer Group Meetings

Best Practices Group:

Contract Negotiations was the focus of the September 17 Best Practices group meeting at McCarty Curry Wydeven Peeters & Haak, LLP in Kaukauna.

Scott Barr and Kurt Wanless provided a basic primer on contract law, an explanation of contract terms, and guidance for the contract team.

As part of the discussion, cautions related to contract negotiations, particular situations raised by the group, risk/reward analysis, and possible resolutions to given situations were addressed.

Thanks to McCarty Curry Wydeven Peeters & Haak, LLP and to Scott and Kurt for your continuing support of the Forum's efforts to *foster healthy family businesses*.

Successors Group:

Meeting in the Board room of Bassett Mechanical on September 30th, the Successors focused on group organizational issues for this year and on the topic of the Family Enterprise Publishers' article, *How Young Successors Cope (With Stress)*.

Stressors that were discussed included juggling business, family and personal needs; business downturns; the weight of the leadership responsibility; child care responsibilities; digital devices; guilt; perfectionism; procrastination; and planning and using vacation time. The group discussion focused on shared experiences and techniques for managing these stressors.

The Successors plan to meet again on **November 18th** at Badger Mining Corporation to learn about *21 Qualities of Leadership* as presented by Tim Wuest. Joe and Dan Kobussen, Kobussen Buses Ltd., are again providing the group's transportation to this meeting in Berlin.

All member businesses are encouraged to participate in the Best Practices and/or the Successors groups as part of your Forum membership. Registrations for specific meetings are required so that the Forum can provide an appropriate meeting space, necessary materials, and, in the case of Best Practices, the host business can provide a working lunch.

Registrations can be sent to Ann Stein at (920) 424-1541 or steina@uwosh.edu.

Pitfalls to Avoid in Estate and Ownership Transfer Planning

- Procrastinating in planning the estate and ignoring the inevitability of the owner's eventual death.
- Single-mindedly pursuing tax minimization to the detriment of the continuity of the business.
- Failing to use estate planning as an opportunity to teach the next generation and to pass on a legacy, not just financial assets.
- Confusing fairness with love and a desire to treat all heirs equally.
- Failing to communicate and consult with heirs in order to understand what individual family members most value, desire, and need.
- Insufficiently preparing successors and/or failing to acknowledge the specific strengths and weaknesses of next-generation members.
- Failing to submit the estate and ownership transfer plan to a professional advisor or board of directors for review.

Source: "Family Business", Poza, Ernesto, Thomson South-Western, 2004, pages 96-97.

Wisconsin Family Business Forum

Program Calendar – 2003-2004 *

Date/Time	Topic/Event	Presenter(s)
Dec 2	A Potpourri of Critical Legal Issues for the Family Business	Scott Barr, John Esler, Jennifer Koepl, John Russo, Christine Wanless, and Kurt Wanless <i>McCarty Curry Wydeven Peeters & Haak, LLP</i>
Jan 20	Disaster Planning	Kerry Connor, <i>MassMutual Financial Group</i> Pam Baumann, <i>PAMCO</i> Lisa Powers, <i>Career Options</i>
Mar 10	Managing Change in the Family Business	Bob Shaver <i>Executive Education, UW-Madison</i>
May 3	8th Annual Dinner: A Family Business Heritage	Craig Culver <i>Culver's Franchising Systems</i> <i>Culver's Frozen Custard</i>
June TBD	Summer Activity	TBD

* See our website for programs offered by the Madison and Marquette family business centers under our reciprocity agreement.

The Forum thanks the following sponsors for contributing significant value to keep the Forum at the forefront of family business programs, worldwide:



First National Bank — Fox Valley has a competitive advantage of developing strong, close customer relationships, especially in the niche of family-owned businesses. Thanks to a dedicated staff, FNB has completed its 113th year of providing financial services to the people and businesses of the Fox Valley with locations in Appleton, Menasha, Neenah and Oshkosh.



Grant Thornton LLP is the leading accounting, tax, and management consulting firm dedicated to serving the needs of middle-market companies. Their mission is "To help middle market companies achieve their business and financial goals" by providing services that deliver measurable value to their clients. Founded in 1924, Grant Thornton is one of the global seven accounting firms, serving public and private middle-market clients through 47 offices in the United States and in 109 countries through Grant Thornton International.



McCarty Curry Wydeven Peeters & Haak, LLP has been serving the legal needs of large and small family businesses in northeast Wisconsin since 1949. The firm's services include all aspects of business and corporate law, real estate, complex estate planning, commercial and personal litigation, as well as general practice.

Retained
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Company



Retained Earnings Company/MassMutual Financial Services has been providing business owners and their employees with their insurance and investment needs for over 25 years. The Retained Earnings/MassMutual team brings expertise in the areas of financial, estate and business succession planning, 401k's, employee benefits, investments, life, health, disability, and long-term care insurances.



University of Wisconsin Oshkosh, College of Business Administration provides undergraduate and graduate education with a wide array of outreach services to benefit economic development in northeast Wisconsin. The faculty and staff are professionals dedicated to being quality teachers, accessible to students; furthering knowledge through research; and serving as valuable resources to the University and community. A key strength of the College is providing professional expertise through personal contact among students, faculty, and members of the community.



Associate Sponsor:

The Business News is a local business newspaper serving a 10-county area of northeast Wisconsin.



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