Together Everyone Achieves More! (TEAM)

Discussion Group Topics
Moderator Biographies

Decision Making. Decisions, decisions—how do business families make them? To begin, decisions can be divided into four different categories, each according to the respective roles of an owner; a board member; an employee (or manager); and, finally, a family member in an organized setting such as a family council. Decision may be made by a centralized leader, by majority rules, and by a voting consensus. What type of decision making process is best for different parts of the family business system?

- **Corporate Sponsor**: **Michael Keller, Beacom School of Business, USD.** Dean Michael "Mike" Keller is a native of Webster, S.D. He received a B.S. in education from USD in 1970 and a Juris Doctorate degree from USD in 1974. He went on to a successful career in the financial services industry until returning to USD in 2002.
- **Program Partner: Hugh Venrick, Venrick Goeman Group at Morgan Stanley Smith Barney.** Hugh, a Senior Vice President/Corporate Client Group Director started his financial services career in 1981. Hugh works primarily with high net worth families, professionals and business owners to help accumulate preserve and distribute their wealth. Hugh is a graduate of the University of South Dakota and the Securities Industry Institute at the Wharton School University of Pennsylvania.

Spouses/In-Laws and Out-Laws. How do you accept in-laws into the family business? As an in-law, are you walking into a golden future or a bear trap? Many families establish guidelines for spouses' involvement in the family business. Is there a role for spouses in the family business, even if they are not employed in the business?

- **Margaret Fitzgerald, Associate Professor, NDSU.** Margaret teaches courses in financial planning and public policy and studies family businesses. Her research interests include: husbands and wives who own and operate businesses together; family businesses in economically vulnerable/viable communities; gender and management issues in family business and business social responsibility. Margaret's Ph. D. is in Human Development and Family Studies with a Family Resource Management emphasis from Iowa State University.
- **Program Partner**: **Tom Theobald, Financial Investor, Northwestern Mutual Financial Network.** Tom received his B.S. in Business from USD. Tom has been with Northwestern Mutual for 35 years, joining the Northwestern Mutual team in Sioux Falls in 1974. Tom has dedicated his 35 years of service to helping individuals, and their families, prepare for a successful financial future.

Family Business Valuations.
How does a professional valuation specialist determine my businesses' worth? When is the best time to establish a mechanism to determine business valuation? If I want out of the family business, how do I sell my shares at a fair price? What financial decisions are we making now that could have an impact on the value of our company?

- **Program Partner: Rachel Buse, Senior Associate, Eide Bailly LLP.** Rachel, a CPA at Eide Bailly, is accredited in business valuation and certified in financial forensics. Rachel performs business valuations for estate and gift taxes, purchasing and selling businesses and litigation purposes. A member of the firm's business valuation practice, Rachel assists with litigation cases and support services involving shareholder disputes, economic damages and marital dissolution. Rachel is a graduate of the University of Sioux Falls and holds B.A. in public accounting and business administration.

Boundaries (Roles and Responsibilities). Boundaries determine how the family will interface with the business. Failure to define the interface between family and business is at the root of many family business problems. Family members must not meddle in areas for which they do not have responsibility. Boundaries need constant maintenance if they are going to do the job for which they were intended.

- **Program Partner: Larry Hause, Fredrikson & Byron, LLP.** Larry has extensive experience in helping families transition and continue their family businesses by helping them solve their unique family business challenges. Growing up in a family business, Larry learned firsthand many of the benefits and challenges of being part of a family-owned company. Larry is a graduate of the University of Nebraska-Lincoln College of Law, J.D., 1984 and South Dakota State University, B.A., 1979. He also serves on the faculty of the Family Firm Institute. Larry also provides family business transition services, board development, and trustee-beneficiary-family business guidance through Hause Family Business Transition Services, LP.

How to Start Family Meetings. How does family business ownership tap the potential power of the family as an engine to drive the family business? At the same time, how can the owners make the most of the business as an opportunity for the family to grow and to develop its potential? Family meetings are an excellent tool! Learn how to get started and what works for other business owning families.

- **Beth Adamson, Prairie Family Business Association.** Beth has served as the organizations director for the past eight years, working with business owning families and professional advisors in the areas of family communication, business development and family ownership. Beth received her certificate in Family Business Advising from the Family Firm Institute in 2004. She holds a Bachelor of Science Degree from the University of Minnesota with eighteen years of experience in sales, management and management training with the United States Chamber of Commerce.

Succession Planning. Many small business owners cherish the vision of building a company that they can pass down to the next generation. While some are successful in doing so, many others at some point find themselves facing an uncertain future. Having concentrated most of their years and wealth in the business, many find themselves relatively alone in deciding what comes next. When do you begin planning for succession, is there a "to do" list to follow, what has worked for others? Succession is often the most painful and critical time for family businesses. Less than one-third of family businesses survive into the second generation, and only about 12 percent make it into the third generation. How do the successful ones make it?

- **Program Partner: Jeffrey Cullison, Partner, Eide Bailly LLP.** Jeff, a CPA and partner at Eide Bailly, has worked with family-owned businesses for 25 years. Jeff assists families with transition and succession planning, financing assistance, profitability enhancement and general business advice. With specialization in construction, manufacturing and governmental entities, Jeff devotes the majority of his time to providing assurance services. Jeff is a graduate of the University of Northern Iowa and holds a B.S. in accounting.
- **Program Partner: Rob James, Financial Investor, Northwestern Mutual Financial Network.** Rob received his B.S. in Business with a minor in Economics from Chadron State College. He has been with Northwestern Mutual for ten years, helping his clients achieve financial security. Rob once owned his own business in the Windsurfing Industry, flew for Continental Express as a commercial pilot and now enjoys the beauty of the Black Hills.

Letting Go. Research shows that about 11 percent of family business leaders say they will never retire and about 23 percent say the will "semi-retire." That means that a third of all family business leaders aren't going anywhere-they expect to stay in the business. A family business is truly a family business only when it is successfully passed from one generation to another. How does the leaders' decision to "retire" affect the business and the family?

- **Corporate Sponsor: Marli Erickson, BankWest of South Dakota.** Marli is a CERTIFIED FINANCIAL PLANNER © and bank development officer at BankWest in Rapid City. She is passionate about preserving America's family owned businesses. Marli obtained her undergraduate degree from National American University and a MBA from the University of Sioux Falls.
- **Program Partner: Peter Hatinen, Fredrikson & Byron, LLP.** Peter is a shareholder in Fredrikson & Byron's Trusts & Estates and Family Business Groups. Peter assists clients with the preparation of wills and trusts and helps families transition their businesses from one generation to another. He advises clients on a range of estate planning issues, such as trust and estate administration, business succession, tax planning, and charitable gift planning.

Siblings (Rivalry-Birth Order). Each generation of a family business is unique and faces its own special set of challenges. The sibling team-frequently the second generation, faces some of the most difficult challenges of all. Sibling teams often spend enormous effort building and maintaining an effective team. The rewards can be great for successful sibling teams. How do sibling teams learn to communicate effectively, to respect each other's roles in the business?

- **Corporate Sponsor: Justin Falon, Supervisor, Avera McKennan Employee Assistant Program.** Justin is a graduate from Northern State University, with degrees in education and an M.S. in Counseling and Psychology. Prior to his position with Avera, Justin has had over ten years of experience in the mental health field.

Family Business Turn-Around. Given the current success statistics of family business succession, one could conclude that the majority of family businesses have not yet implemented some crucial "best practice" strategies to help them through some of the difficult family business issues most family businesses face. What are some of the best practices for family businesses, is it too late to begin implementing these tactics, how have others addressed some difficult business and family decisions?

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