

Celebrating 30 Years Annual Conference March 29th-30th Sioux Falls, SD

Doug Box - Keynote Speaker

"What an amazing story! Doug was a great speaker. It really hit home since money always seems to be an issue in our world today, but not worth losing your family over." This comment, following the 2011 luncheon presentation by Doug Box, youngest of four sons of legendary industrialist Cloyce K. Box, summarizes the power of Doug's personal family business story. The Box family controlled a number of public and private companies with interests in the oil & gas, cement manufacturing, real estate and farming industries.



Doug Box

in Family Business Advising and has been a member of FFI since 2005.

Kicking off the two day event, Doug will address conference attendees as he shares the lessons he learned in handling conflicts within his family business. Conflict is a fact of life. There is no less need for conflict management today than there was 20 years ago. Family relationships provide the most intense setting for conflict and therefore the greatest opportunity to manage conflict more

“Doug Box delivers a powerful message that all family members involved in a family business need to hear!”

Dick Muth, President and CEO of Muth Electric.

Doug grew up and worked for his father in his family's business for most of his life.

In 1997, following a disputatious four-year family ordeal, Doug led the sale of his family's oil and gas interests, known as Box Energy Corp.

Several requests were made to bring Doug back. We are pleased to announce that Mr. Box, founder of Box Family Business Advisors, will return to lead the education sessions at this year's conference. Mr. Box is a family business consultant based in Dallas, Texas. Since entering the field in 2005, Doug's focus has been on succession planning, conflict mediation and family meeting facilitation for the medium-sized family enterprise. Doug has an MBA from Baylor University and a masters in Dispute Resolution from SMU. He also holds the Certificate

constructively. Reflecting on his personal family experience, in **"The Constructive Use of Conflict"**, Doug will encourage the participants to embrace the notion that the practice of constructive conflict is an essential skill set in managing the family firm and can pay huge dividends in your personal relationships.

Doug's session on Friday morning, **"The Strategic Use of Advisors"** will encourage family business leaders to carefully manage their relationship with their advisors. Outside advisors to the family firm come in many different forms and flavors; some are attorneys, financial planners, psychologists or consultants, etc. Each of these professions offers a unique set of strengths and weaknesses. Doug will draw upon his personal experience of using advisors to point out a number of pitfalls that family

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Family
Businesses
to be

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Conference Sessions

The Constructive Use
of Conflict

The Strategic Use of
Your Advisors

The "Values" of Transition

The Balancing Point

Increasing Productivity by
Aligning Talent, Culture,
and Strategy

New Times, New Risks in
the Family Business

Is There an Elephant in the
Room?

From White Castle to
the White House

Estate Planning in 2012

Stories of Success

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2012 CONFERENCE

March 29-30
Ramkota

Sioux Falls

News From the Director

Recognizing Our Champions

What an exciting year we have ahead of us! As we celebrate our 20th anniversary of hosting the premier family business event in the region, The Prairie Family Business Conference, it is necessary to recognize all those that have contributed along the way....



Strategic Partners. Chambers, trade associations, and regional education centers have welcomed our programs, supported the recognition of family businesses, and opened their doors to presentations on family business dynamics.

Directors. Tim Habbershon built a phenomenal foundation for success. Stan Mendal and Clark Hammond brought unique strengths to the members and I have been blessed for the past ten years to work with the most remarkable business owning families and professional advisors on the planet!

USD Beacom School of Business. A vital contributor at not only the start-up of the SD-FBI, but a consistent supporter through leadership from Jerry Johnson to Mike Keller. Dean Keller currently serves on our advisory board and actively participates in the annual conference.

Advisory Board Members. Members who volunteer their time and talents for three to six years to strategically evaluate our progress and our future.

Sponsors. These professionals bring the best resources to our members; they invest in the success of family businesses and bring fresh ideas for programming to the table. Our first three sponsors included: Northwest Bank, Merrill Lynch and McGladry & Pulte. Our current corporate sponsors include: Bank West and Dacotah Trust, along with our eight program sponsors and various award sponsors.

University Center. In 2008, our office moved from the campus in Vermillion to Sioux Falls. Mark Lee offered us the opportunity to have a more visible, accessible location for our members and has been a most gracious host for housing our staff.

North Dakota Founding Families. The Larson's, McQuade's and the Bank of North Dakota share the same vision of the founders of our organization. Their commitment to building a solid foundation for growth in ND will lead to another 20 years of growth!

And most of all, **YOU...**our members. As family businesses and advisors you have recognized the importance of lifelong learning. The work of transitioning your family business from one generation to the next is a journey...hopefully, a journey of a lifetime.

We now have 126 business members. Many of these have three or more family members participating in programs. We have four Professional Advisor Study Groups and the Affinity Peer Groups continue to grow. Looking ahead, we will continue to expand our resources as we "empower family businesses to be GREAT!"

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business owners can fall prey to and how to avoid these kinds of mistakes when using outside advisors.

Speakers and Sessions

Throughout the two days, attendees will have several choices for breakout sessions:

- Dr. Justin Anderson specializes in sport and performance psychology, organizational psychology, and counseling psychology through positive psychology principles. Justin and Peter Hatinen of Fredrikson & Byron will present "**The 'Values' of Transition**": How your family values can influence

family harmony, business success, and sustainable wealth for future generations.

- Larry Hause, author of "**The Balancing Point**", will give owners proven ways to manage the many different transitional challenges and providing peace of mind as families work through transition.

- Chris Young, founder of The Rainmaker Group, will help next generation leaders take the business to the next level in "**Increasing Productivity by Aligning Talent, Culture and Strategy**" exploring how to optimize team performance,

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The Formation of a Modern Banking System

By Charles H. Burke III

While it seems as if we're living in a time of unprecedented change for our nation's financial system, the reality is our system has been in a constant state of change since its inception. As with many challenging situations, a look in the rearview mirror provides useful perspective.

Formation of a System: 1700s – 1800s

Given they had pulled up roots and crossed an ocean to escape excessive government control, it's not surprising that America's founders had an aversion to government control of their banking system. The result was a loosely organized system with a number of unrelated and unregulated banks. Under this system, a hodgepodge of currency, inconsistent money supply, and bank failures inhibited trade and commerce.

America grew from the late 1700s on in spite of its chaotic banking system. In 1862, President Abraham Lincoln assigned the task of overhauling the American banking system to Secretary of the Treasury Salmon P. Chase. Chase convinced Congress to pass the National Currency Act in 1863 and the foundation of the modern banking system was formed. The act contained four major provisions aimed at consistency and stabilization.

1. The Creation of National Banks: National banks were privately owned, federally chartered businesses, and as such, had capital and management requirements that added much needed stability and consistency to the system.
2. Establishment of the Office of the Comptroller of the Currency: The OCC was created to charter, examine, and issue regulations governing national banks. This ensured sound practices and reduced bank failures.
3. Introduction of National Banknotes: Standard currency design not only reduced counterfeiting, but also bolstered public confidence in the currency's value.
4. Establishment of reserve requirements: Before reserve requirements, there was no assurance that banks would keep enough cash in reserve to meet demands for withdrawals. The National Currency Act required banks to keep

reserves against its deposits and loans. Reserves were either kept on premises or deposited with major money center banks.

Progress and Failure: 1913-1935

While it went a long way toward stabilizing America's banking system, the National Bank Act of 1863 created new issues. For example, the national banknote was inflexible, the money supply was unmanageable, and reserves were concentrated in money center banks. To address these issues, Congress passed the Federal Reserve Act in 1913. The act created 12 Federal Reserve districts. It also established Federal Reserve notes which constitute our basic currency to this day.

The banking system hummed along pretty well until the stock market crash of 1929 and the subsequent Great Depression. Based on the many theories of what caused the crash, Congress introduced legislation aimed at financial reform. In 1933, the Glass-Steagall Act established a number of additional bank controls and created the Federal Deposit Insurance Corporation (FDIC).

In 1935, Congress extended the regulatory powers of the Federal Reserve by passing the Banking Act of 1935, which authorized the FDIC to examine banks to ensure compliance with standards of operation, take action to reduce the threat of bank failures, and pay depositors in the event an insured bank failed.

To Deregulation and Back Again: 1980 – present

The effects of the Great Depression were so severe that they continued to influence national policy and consumer attitudes for more than 50 years. The result was an era of increased regulation. By the 1980s, Congress recognized the need to increase banks' competitive flexibility and did so through passage of The Monetary Control Act of 1980. This Act increased FDIC coverage limits, phased out limits on the amount of interest banks could pay on deposits, and allowed the introduction of new products such as NOW accounts. In 1982, the pendulum swung a little farther toward deregulation when Congress passed the Garn-St. Germain Act allowing

banks to offer money market and super NOW accounts. However, bank's reprieve from increasing regulatory burden was short lived. The Savings and Loan Crisis of the late 1980s led to again to new regulations.

Today, banks again find themselves in an era of increasing regulation in response to the mortgage crisis of 2008 and subsequent events leading to bailouts of some of the nation's largest financial institutions. The Dodd-Frank Wall Street Reform and Consumer Protection Act was signed into law by President Barack Obama on July 21, 2010, and represents the biggest re-write of financial regulations since the Great Depression. As a result of the bill, bankers will be faced with an estimated 5,000 pages of new or expanded regulations.

Hope for our Future

Since its early days in the 1700s, the banking system has gone from entirely unregulated to one of the most highly regulated industries in the United States. While many bankers believe current regulatory standards are excessive, all recognize the need for regulation and consistency within the financial services system.

As we Americans work our way through these economically challenging times, we can reflect on our progress as a nation, take comfort in our proven ability to change and adapt, and remain confident that the resilience of our people and our economy will prevail.



Charles H. Burke III is Chairman, President and CEO of BankWest.

Member News

Congratulations!

Time Management Systems have added a new office in Sioux Falls with the Corporate office still located in Sioux City. Founders, Carol and Tom Rademacher, have purchased a home in Sioux Falls and opened a new office at 5024 South Bur Oak Place, Suite 100. SF, SD 57108.

Woods, Fuller, Shultz & Smith P. C. will be celebrating their 125th anniversary in 2012. The firm started in 1887, two years before statehood, when C.O. Bailey came from Chicago to open a law office in Sioux Falls.

Van Buskirk Company has announced that they have almost filled to capacity their previous office spaces at Remington Pointe, and will be expanding with a new office park on the northwest corner of 69th and Western.

Jay Shultz of **Lynn, Jackson, Shultz, & Lebrun** has been selected for inclusion in to the 2011 Great Plains Super Lawyers list. Only five percent of the attorneys are named to the list. The selection is done by a rigorous, multi phase process to create a credible, comprehensive and diverse list of outstanding attorneys.

Two long-standing, family-owned North Dakota community banks, **Starion Financial** and Security State Bank, have merged under the Starion Financial name this past fall. The merger promises new capabilities and new services for the banks' customers.

Jill Duemeland of **Duemelands Commercial** was accepted into the elite 2012 Jay W. Levine Leadership Development Academy Program by CCIM Institute to foster the development of the next generation of leaders in the commercial investment real estate industry.

Midstates, Inc. Print and Media Solutions purchased Panther Graphics, a Sioux Falls commercial print shop. Panther Graphics will retain its name and begin offering a wider variety of print and media options in collaboration with the Midstates, Inc. Aberdeen facility.

Condolences and Prayers

Arnold Domke, age 74, of Huron, passed away November 18th, 2011. Arnold was the founder of **Heartland State Bank** in Highmore, Redfield, Wessington, and Tulare.

Summer Retreat

May 9th -11th, 2012

Plan to attend the PFBA Family Business Retreat in Alexandria, MN at the Arrowwood Resort and Conference Center.

Facilitator Wayne Schmaltz will be conducting the sessions.

A retreat is shown to be one of the top strategies that successful family businesses use to help strengthen the communication systems

For information visit the website or call Beth at 367-5936.

Membership Contest

For every new membership submitted & paid for; 10% of the membership fee goes into a "POT OF GOLD" and your name goes into a drawing. The "POT OF GOLD" will be given away at the Conference Banquet!

Visit the Website for current standings.



Welcome New Members

Johnson Feed, Inc.
Canton, SD

Bowes Construction
Brookings, SD

Harlow's Bus Sales and Service
Bismarck, ND

Hedahls, Inc.
Bismarck, ND

Mariner Construction
Bismarck, ND

Jim Didier
Rapid City, SD

Canfield Companies
Sioux Falls, SD

Bismarck Aero Center
Bismarck, ND

Dawson Insurance
Fargo, ND

American Popcorn Company
Sioux City, IA

Pinnacle Wealth Management
Sioux Falls, SD

Bernstein Global Wealth
Minneapolis, MN

ISIS Hospitality, LLC
Rapid City, SD

Soukup Construction
Sioux Falls, SD

Timm Funk Associates, LLC
Sioux City, IA



Family Business Education

2012 Webinar Schedule

This year's webinars will again be scheduled at fourteen different host sites across the region. This 90 minute "brown bag" event, is a time to bring your lunch to eat, while you listen to national presenters on family business best practices. It is also a chance to meet and exchange ideas with other business owning families. If you have not been to a webinar... make this the year you try a webinar or a wiki master class.

We will partner with the Family Business Consulting Group for six webinars and we will be producing three of our own webinars.



Jan. 25	Developing the New Leaders of your Family Enterprise
Feb. 7	Wiki -Family Business Capital Online or Live Classroom at University Center
March 7	Preparing Future Leaders For the Family Enterprise Website Only- No Host Sites
April 24	Financing Family Business Growth and Transition by PFBA
April 27	Wiki -When Family Businesses are Best Online or Live Classroom at University Center
May 23	Family Councils: Providing Structure for Family Business Continuity
July	Date and Topic TBA by PFBA
Sept. 12	The Family Business Strategic Advantage: Preservation and Passing of the Entrepreneurial Passion
Oct. 24	Creating a Sustainable (and Effective) Family Business Culture
Nov.	Date and Topic TBA by PFBA
Dec. 5	The Ties that Bind: Facing up to the Difficult, Sometimes Brutal, Family Issues

** Dates and topics subject to change **

Wiki Master Class

International Learning Opportunities at Your Desk

The first Family Business Wiki "Master Class" was held on November 3rd. Ten members had a unique opportunity to participate as one of five "live" classrooms for the event. Other live classrooms came from the University at Alberta, Massachusetts, Vermont and Stetson University. This Master Class topic was "Family Business Boards" with Craig Aronoff, Stephanie Prun de Pontet and Jennifer Pendergast.

Dr. Aronoff began with "The Six Requirements for Successful Boards" they included:

1. Ownership commitment to creating an excellent board.
2. Recognize the difference between ownership and management.
3. Recognize that it is the responsibility of ownership to secure excellent management.
4. Ownership must articulate family values and goals regarding profitability, risk, growth, etc.
5. Develop a clear, shared understanding of the qualifications for board membership.
6. Determine the role of family members on the board.

Questions and discussions from the classrooms focused on differences in an advisory board versus a legal board, family members in multiple roles, periodic board evaluations, use of paid advisors, and the number and compensation of board members.

Stephanie led the 2nd section of the class, "The Board and the Family Business System: Where do the Board of Directors and the family interact?" Five key points were stressed during this presentation:

1. All family members need to be "on-board" regarding having a board.
2. The family can be coached to be successful in their interactions with the board.
3. Clarify expectations regarding family contact with board members.
4. Situations when non-board members can attend board meetings.
5. Communication structures between the family and the board.

Discussions that followed consisted of: factors to consider when deciding between legal versus advisory board, such as size of

family or business and operating generations of the family business. Other topics covered included routine executive sessions of the board and ways to assure that family members feel heard by the board.

- Ms. Pendergast's final session covered Inside the Boardroom-Preparing for Meetings. Included in this useful session was
1. Setting the right boardroom culture.
 2. Putting together a strategic agenda.
 3. Preparing the right materials for the board members.
 4. Preparing management for useful BOD presentation.
 5. The role of the Chair.
 6. Board members being prepared for board meetings.

The PFBA will continue to participate in the remaining Wiki Master Classes. If you are interested in participating in the live class, please call Beth. The class topics are: February 7, 2012 -- Family Business Capital, instructed by Francois de Visscher, and on April 27, 2012 -- When Family Businesses are Best, instructed by Randel Carlock.

Tom Didier Excellence in Family Business Award

Rapid City Area

ISIS Hospitality - Bradsky Family



Bradsky Family with Award in the Alex Johnson Lobby

The recipient of the 19th Annual Tom Didier Excellence in Family Business Award is well-known throughout the Black Hills. From The Gateway Bowling Alley, Stardust Motel, and Cadillac Jacks, to AJ's Wicked Salon & Spa, the Bradsky family has survived challenges and celebrated successes as a business owning family for three generations. Jim Didier, representing the Didier family, presented the award with the support of over 130 family, friends and associates at a gala event hosted at the Alex Johnson Hotel.

"The Bradsky family represents the spirit of Tom's entrepreneurial ventures, "his commitment to family and community, his honesty, courage and inspiration to all of us who have a passion for our beautiful Black Hills, a commitment to our business community and those we serve, and a bond with our families who provide us with the strength and love to continue on", commented Jim Didier.

The Bradsky's passion for entrepreneurship can be traced back to 1910 when Karel Bratershovsky immigrated to America from Czechoslovakia, later changing his name to Charles J. Bradsky. Charles developed many businesses, including gas stations, car dealerships, a bulk plant, a dairy, a ranch and rental cabins. He and his wife, Vilma, assisted all of their children in starting business ventures. As the second generation gained experience and skills, the family entrepreneurship continued to shine. Over the next twenty years, businesses were formed, the Bradsky Law Firm grew and family involvement in several of the business ventures expanded.

Family members present to accept the award included three generations of the Bradsky family. Second generation family members included Charles' children: Wilma, Florence, Ablina, Walter, and sister-in-law Nancy, widow of Charles Jr.

Over the last decade the family has focused on the gaming industry as they acquired casinos in Deadwood, developed the Rushmore Crossing Shopping Center and created ISIS Hospitality to manage the hotel and gaming properties. Coming full circle, the Bradsky's purchased the Alex Johnson Hotel in 2008 from the Didier family, who currently sponsor this award in memory of their brother and son, Tom.

As the third generation reaches adulthood, the passion for entrepreneurship continues. After receiving the award, Walt commented on how proud he was of third and fourth generation, with 27 grandkids and two great grandsons. He encouraged them to stick together to allow the legacy to live on!

The Bradskys have viewed their relationship as a business owning family as either growing or dying. "We are never sitting still. Business is never static. Change is constant," commented Paul Bradsky, one of Walter and Betty's seven children. "We do our best to adapt, grow, and, hopefully, thrive. Most importantly, we do it together. We love each other, we respect our associates, we love our community, and we love what we do. We are eternally grateful. Who could ask for anything more?"



Jim Didier presenting the award

Nominate a Family Business to Win!

Find out how to nominate a deserving business at www.fambus.org or contact the PFBA office by phone or e-mail.

Rapid City Legacy Tour

Reptile Gardens...Snakes, Gators and More!



Reptile Garden's gator wrestler "Gunner"

Attendees of the 2011 Rapid City Legacies of Family Business Tour enjoyed a stroll through Reptile Gardens on a beautiful September afternoon. The grounds were an oasis of colorful blooms, lush vegetation, and well-manicured lawns, all which provided a relaxing setting to learn more about the challenges and successes of one of our members, the Brockelsby family of Reptile Gardens.

Standing amidst a "swamp" of alligators, Johnny Brockelsby welcomed the group to the park. The participants had ringside seats, while the parks professional alligator wrestler, Gunner, demonstrated his skills against an 8 foot long, 175 pound alligator. No one offered to come into the

"swamp" and test their alligator skills, so the group continued their stroll through the garden. From the world's deadliest snakes to a tropical paradise, everyone enjoyed viewing the largest collection of reptiles in the world.

Following the tour, Jeff Brockelsby provided some insight regarding the transition of the family business from the founder, Earl Brockelsby, to the second generation. Jeff pointed out that like most family business transitions; theirs had its share of challenges and tense moments. The family started with knowing that they had strong values on which to base their succession plan. They started by creating job descriptions,

defining roles and delegating responsibilities. Then they hired a business consultant to assist in the planning of the transition, facilitate meetings, and create a board of directors. All of these activities helped the second generation through the difficult decisions of taking what one man, Earl, did and dividing the work and decision making among the siblings. Jeff stressed during his presentation how important COMMUNICATION was to the process.

The third generation of family members are now involved in the business which has grown to one of the leading tourist attractions in the Midwest.



Pictured Left to Right: Walter, Paul, and Dominic Bradsky watching the gator wrestling

Local Award Winners 2011

Aberdeen, SD - Dail-A-Move, Inc.

Alcester, SD - State Bank of Alcester

Bismarck, ND - Starion Financial

Brookings, SD - Allegra Printing

Chamberlain, SD - Redi Mix, Inc.

Hill City, SD - Krull's Market

Huron, SD - Manolis Grocery

Mitchell, SD - Shafer Memorials

Pierre, SD - Steamboat, Inc.

Platte, SD - Severson Oil & L.P. Co. Inc.

Rapid City, SD - ISIS Hospitality

Sioux Falls, SD - Soukup Construction

Vermillion, SD - Jones Food Center

Watertown, SD - Codington-Clark Equip.

Yankton, SD - First Chiropractic Center

— Boyd Hopkins Sr. Excellence in Family Business Award — Sioux Falls Area

Soukup Family - Soukup Construction



Pictured Left to Right: Hopkin family: Boyd Jr., Dodi, Jack and Gina and Soukup family: Carl, Marietta, Jim, Angie, Elizabeth, Ashley, and Joan Millage

The Boyd Hopkins, Sr. Excellence in Family Business Award was presented to the Soukup Family of Soukup Construction during the annual Legacy Tour and Family Business Award program hosted by Malloy Electric's Dakota Dunes facility.

Carl and Marietta Soukup started their business with one machine, doing farm, township and soil conservation work around Scotland, SD. Upon his return from the army in 1962, Carl was without work so he and Marietta decided to try some construction work. By 1969, they added machines and also owned and operated a gas station/convenience store at Mayfield.

Sensing a greater opportunity in the growing community of Sioux Falls, the family moved in 1973 and started doing street, commercial and demolition work. By

1975, they started buying land for development. They built warehouses, rental buildings and mobile home parks and added four children to their family. Jim, the oldest boy, was a sophomore in high school when he purchased his first front end loader. Jim worked on many projects during high school and college. Marietta had done the bookwork since the company started. The company was growing and in 1991, after graduating from college, Jim bought a portion of the company. In 1994, Jim bought the entire company from his parents, while they continued to work in the company. Joan Millage, Jim's sister, is the HR person in the business. During the summers, Jim's son, daughter and nephew work with him.

The biggest challenge for Carl & Marietta was financing and finding projects to work

on. Geographically, the projects needed to be close to home to avoid a lot of mobilization. The business grew by putting the profits back into the business and focusing on quality and integrity, which helped in promoting the business.

Other family members were involved in other corporations that developed from Carl and Marietta's entrepreneurship. Jay and Joan managed the mobile home parks and the warehouses. Judy and her husband, Al, managed mobile home sales. Keeping the business entities separate was the most efficient tool for the family to transition to the 2nd generation.

Like Boyd Hopkins, Sr., the Soukup family demonstrates the qualities for which this award was presented:

- 1) Determination and foresight: Starting a business with nothing, in a small rural South Dakota community, shows a strong sense of determination. While the Soukup's put family over business decisions' they believe each person should earn their own way...entitlement is not in the Soukup vocabulary!
- 2) Strength: Demonstrated in their value statement which includes a safe and secure work environment, quality and integrity in all dealings, encourage employee community contributions, teamwork and communication.
- 3) Leadership to family, employees and community: Demonstrated in the numerous organizations the Soukup's give of financially and through volunteer work.

Intern Opportunities At PFBA

Accounting:

Responsibilities include: invoicing for memberships, sponsorships and programs; using the University Banner System to prepare deposits and requests payments, correctly code and enter information in Quick Books for our personal accounting system, create quarterly and annual financial reports for projections and goal setting. Knowledge of Access and Excel would be preferable. Hours are flexible, from 6-10 hours per week.

Marketing:

Responsibilities include: website update (Dreamweaver), production of newsletter (Adobe Illustrator); program information on Cvent (HTML) and creating of brochures for award and tour programs and annual conferences as well as the creation of viral marketing products. Hours are flexible, from 6-10 hours per week.

Sioux Falls Legacy Tour

Malloy Electric - Dakota Dunes



Chris Houwman explaining the gears

How big can an electric motor be? Ask Malloy Electric... they have probably worked on some of the largest motors in the world. The new 65,000 square foot state-of-the-art facility at Dakota Dunes allows Malloy Electric of Sioux Falls to continue to be a leader in the electrical and power transmission industry. They have repaired and rebuilt electric motors for over 60 years, by supplying housing parts and servicing motors ranging from

a General Mills bulk food processing mill, a small tractor alternator, to the large wind turbines that dot the Midwest.

Malloy Electric in Dakota Dunes was the host site for the 2011 Sioux Falls Area Legacy Tour. The founder and President Garry Jacobson and Vice-President Chris Houwman provided a fascinating tour of the facility, which included the most up to date repair and testing equipment in the industry, along with their state of the art research and design lab. The tour finished with the parts and inventory section of the building.

Malloy Electric & Bearing Supply was started by Emmett and Mary Malloy in 1945, originally located across from the downtown post office. In 1971, Emmett and Mary sold the business to Garry and Dianne Jacobson. Keeping the business name, Jacobsons built a new shop on West Russell in 1974 and the business grew. For the past forty years, they have built a family business that is recognized as the leader in motor repair, as well as having supplies for the electrical and power transmission equipment industry.

Malloy Electric has distribution and service facilities in Sioux Falls, Fargo, North Sioux City, and Omaha, and sales offices in Des Moines and Rapid City.

Following the tour, Garry shared with the group some of the family business struggles and successes as they experienced business growth, industry change and just the current work being done on the transition of the business to the next generation.



Garry Jacobson giving a tour of Malloy Electric

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examining ways to shift the culture or enforce the current culture, and create a workplace environment of commitment rather than compliance.

- Jamie Richardson serves as V. P. of Corporate Relations of White Castle Restaurants and is responsible for government affairs, shareholder relations, public relations and community relations. In the session **"White Castle to White House"**, Jamie will share his family business story and describe how White Castle frames public policy issues in the context of family, ownership and business. Jamie will be joined by Ann Kinkade, director of Family Enterprise USA who will share recent highlights from a national family survey.

- Tomas Holtberg is an outpatient therapist at Avera Behavioral Health Center. The session **"Is There an Elephant in the Room?"** deals with addiction's that come in all sizes and shapes. Addictions are usually misunderstood, mischaracterized, or avoided. While no one is immune from

the devastating impact of addictions, learning how to understand the signs, symptoms, and effects of addiction is important for every family.

- Sandra McNeely of The Abbey Group will educate participants about the **"New Times, New Risks in the Family Business"** This session will explore risk management solutions by defining family policies and then developing a process for creating these policies.

- Mary Akkerman from Woods, Fuller, Shultz and Smith, PC, Ryan Huber from Bank West and John Wenande from Eide Bailly, LLP. will comprise a panel for the session entitled: **"Legal and Financial Challenges and Opportunities to Family Business Transitions"**, moderated by Mike Keller. The open discussion will be based on the specific needs and challenges of family businesses as they pertain to transition.

- **"Stories of Success"** will consist of two

prominent families representing 4th and 5th generations, who will share their secrets of beating the succession odds.

A special **20th Anniversary celebration luncheon** program on Thursday will feature the individuals whose vision of a lifelong learning environment for business owning families turned into the largest family business membership program in the United States. (See p. 10).

Thursday evening's **banquet** will recognize family businesses, with the presentation of the Vicki Clarke Prairie Family Business Award, Runner-Up, and Heritage Award. The Heritage Award will be Valley Queen Cheese Factory, Inc. of Milbank, S.D., which represents 83 years of family owning leadership by the Nef and Gonzenbach families. The winners of the Vicki Clarke Prairie Family Business of the Year Award will be announced at the banquet. The sixteen local family business award recipients are finalists for this award. (List on p. 7)

20 Years of History

Prairie Family Business Looking Back...

The date was February 14th, 1992. The place was the Coyote Student Union at USD. The people were Jerry Johnson (Dean of Business School), Bob Tosterud (professor), Tim Habbershon (potential director) and the board members of the SA Education Foundation. Following a slide presentation to the SA Board, a request for seed money to start a family business education program was made. About twenty such programs existed in the United States at this time, all university-based programs that catered to the urban, large and established family businesses. The SD-FBI was to be a unique program in that it was the only rural, statewide program with the goal of reaching all sizes of family businesses at all stages of development and to become a model for other rural states to build from.



Tim Habbershon



Robert Reinke



Bob Tosterud



Jerry Johnson

Twenty years and four directors later, the Prairie Family Business Association has grown into one of the largest family business membership programs in the world. Over 125 family businesses and professional firms participate in membership. Another eleven professional firms support the work of the organization as corporate and program sponsors. So just how did this success develop?

"I've never met anybody better at relationship building than Jerry Johnson. The special combination of his friendliness and professionalism built many bridges over the years between the business school and influential people," commented Bob Tosterud. Prior to the February meeting, Jerry, Bob, and Bob Reinke drove to Valley Queen Cheese in Milbank to meet with the company's co-presidents, Max Gonzenbach and Rudy Nef and requested funding. Two proposals were made, one for economic education, the other for family business education. Representing the second generation in a two - family owned business, the priority was family business. Bob Tosterud proceeded to recruit his minister from Virginia, Tim Habbershon, to come to USD and become the first executive director of a family business program.

Tim assisted in some of the groundbreaking research and compiling of statis-

tics about South Dakota family businesses to present a final proposal to the SA Education Foundation.

A steering committee was formed involving eighteen family businesses from across the state to plan and market an initial conference. The first Prairie Family Business Conference was held in the summer of 1994 in Pierre with 153 attendees. Excellent reports from those attending and from the national presenters resulted in plans for the second conference. Nearly 80 percent of conference attendees supported the establishment of an ongoing university-based family business program and the Family Business Initiative was established in 1993.

Sharon Casey was one of those instrumental in building this foundation. "I was an original member and served on the board for many years and especially remember being on the search committee for 3 or 4 directors. Tim Habbershon was so helpful for us in facilitating our family business meeting as well as several private consultations. It is the reason I have been committed to this organization missing only 1 or 2 conferences in these 20 years," commented Sharon.

Dr. Habbershon moved back to the east coast in 1995 to build a family business

program at Wharton University. Stan Mandel, founder of the Wake Forest Family Business Forum, led the organization through 1998, with Clark Hammond at the helm for the next two years. During these years, the organization continued to develop, changing as it strived to meet the needs of the membership.

National Family Business Consultants, authors and leading researchers in the field of family business development have traveled to the Midwest to present at conferences and workshops. "The annual conference began as, and continues as, the cornerstone of the success this organization," commented Beth Adamson, the current director of the organization. "As technology has allowed us new opportunities, we are better able to serve a rural membership today more than ever before. Many of our programs are offered via the internet, but the annual conference continues to be the ONE event everyone looks forward to attending."

In collaboration with the 2012 Conference, on March 29th, the organization will have a luncheon to recognize the efforts of the initial founding group, Dr. Jerry Johnson, Dr. Bob Tosterud, Dr. Robert Reinke and Dr. Tim Habbershon, as well as the founders of the SA Education Foundation, Max Gonzenbach and Rudy Nef. Original advisory board, founding family businesses and sponsors who supported the concept and worked to build a solid foundation will also be recognized.



20th Anniversary Celebration Luncheon
 March 29, 2012
 Ramkota Best Western
 Grand Rushmore Hall
 11:45 - 1:15

Luncheon is included in conference pricing.
 Luncheon Only Tickets can be purchased
 by calling 605-782-3225

2011 Calendar of Events

January

9 - Sioux Falls Study Group 1 Meeting
9 - **DEADLINE** for the PFBA Regional Award
13 - Sioux Falls Study Group 2 Meeting
13 - Winner Awards
17 - Rapid City Study Group
17 - PFBA Vicki Clarke Award Selectio
25 - Webinar
Developing the New Leader
27 - Mitchell Award Banquet
30 - Fargo Professional Study Group

February

2 - Alcester Award
7 - WIKI Master Class
14 - Aberdeen Award Luncheon
23 - Rapid Study Group
24 - Chamberlain- Oacoma Award
24 - Early Bird Conference
Registration Deadline

March

2 - Spearfish Award
7 - Webinar - Personal Sites ONLY
Preparing Future Generations
27 - Huron Award

28 - Board Meeting
29-30 - Conference - Award Banquet
29 - Brookings Award

April

24 - Webinar
Capitalizing the Family Business
20 - Sioux Falls Study Group 2 Meeting
23 - Sioux Falls Study Group 1 Meeting
30 - Fargo Study Group
27 - WIKI Masters Class

May

9-11 Family Business Retreat in Alexandria, MN
23 - Webinar
Family Councils: Providing Structure

Corporate Sponsors



Helping customers and communities succeed is the focus of the BankWest team. Because we're a privately-owned organization, our management team is free to make decisions based on long-term values rather than short-term profits. We take pride in hiring the best of the best and equipping them with the products, technology and training to deliver the highest level of customer care. Our product menu includes a full range of personal and business banking products, as well as insurance, investment and trust services. For contact information call Kristin Brost at 605-224-7391 or visit the website at www.bankwest-sd.com



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to be Great!



Prairie Family Business Association
University of South Dakota
University Center
4801 N. Career Ave, Suite 140
Sioux Falls, SD 57107
www.fambus.org

Save the Date

March 29-30, 2012

*2012 Prairie Family
Business Conference*

Ramkota Best Western ~ Sioux Falls, SD

Important Conference Details

Celebrating 20 Years of Success!



Conference Registration Information

See complete information on session, presenters and moderators at www.fambus.org and either register on line or call the office at 605-782-3225.

Awards Banquet

Come and enjoy the 20th Anniversary Banquet as we present the prestigious awards that includes: the Vicki Clarke Prairie Family Business of the Year Award, Runner Up, and the Heritage Family Business Award.

Early Bird Special
Save \$100.00

Register by **FEBRUARY 24th** to get the savings

Members: Early Bird Rate \$440 / Reg \$540

Non-members: Early Bird Rate \$650 / Reg \$750

20th Anniversary

Celebration Luncheon

Call the office for luncheon only tickets 605-782-3225.

Hotel Information

For reservations call the Best Western Ramkota directly at 605-336-0650 and ask for the PFBA rate.