

## Family Business Magazine E-Newsletter December 20, 2004

### Contents

1. How to plan an off-site family business meeting.
2. Family-owned markets face internal, external challenges.
3. Supreme Court case affects family wineries.
4. Organizing your company for growth.
5. Successful business spouses see mistakes as opportunities.

**1. How to plan an off-site family business meeting.** Off-site meetings can be a great way to have productive discussions that are free from distractions, note Mary Adams and Michael Oleksak of Trek Consulting LLC, based in the Boston area. But because off-site meetings convey a sense of urgency to accomplish something, the consultants point out, often discussions move right into debates over "what we ought to be doing." Adams and Oleksak say your discussions will be much more productive if you follow a more disciplined approach. Here are their suggestions on how to structure a productive off-site meeting:

- Establish ground rules covering how you are going to interact.
- Bring fresh information to the discussion so that you can begin with facts rather than assumptions.
- One way to begin is by reviewing where your company is today, followed by a discussion of where your market is. Then, consider where you should go as a company. Only after this discussion should the agenda focus on how to accomplish your strategy.

**2. Family-owned markets face internal, external challenges.** The recent sales of 72-year-old Minyard Food Stores of Coppell, Texas, and 81-year-old Victory Supermarkets of Leominster, Mass., illustrate how difficult it is to keep family-owned supermarkets competitive, noted a recent article in the trade publication *Supermarket News*. In addition to competition from giant chains like Safeway, Kroger and Wal-Mart, independent operators must contend with changes to tax laws and develop a strategic plan that will keep their stores on a growth track, the article reported. But chains that acquire family-owned grocery stores have their own problems to contend with, the report added. In an effort to generate economies of scale, the acquiring firm sometimes risks alienating loyal customers of the once-independent regional chains, according to the article. (Source: *Supermarket News*, November 29, 2004.)

**3. Supreme Court case affects family wineries.** The Supreme Court is now considering a case that challenges state bans on consumers' buying wine directly from out-of-state wineries. If the Court's ruling, which is expected by early summer, goes against the states, the potential winners could be America's 3,000 mostly family-owned wineries, according to an article in the *Philadelphia Inquirer*. One owner of a New Jersey winery told the *Inquirer* that because his business is not large enough to deal with a distributor, he is losing a lot of sales. "There are a lot of wineries that are my size that are in my position," he told the newspaper. (Source: *Philadelphia Inquirer*, December 8, 2004.)

**4. Organizing your company for growth.** If your family company is poised for a new spurt of growth but is still entrepreneurial in spirit, you will likely need to make organizational changes and acquire some new skills before you can expand. The following structures and techniques can be extremely useful to family business owners seeking to further professionalize their companies in order to manage expansion:

- Yardsticks for measuring business performance and growth that are best suited to the needs of family businesses.
- A recruiting policy for directors that ensures your board will have the skills and market knowledge to guide the firm to higher levels of achievement.
- A streamlined approach to planning that is time-efficient and spells out steps in an action plan.
- A market plan geared to serving the short- and long-term needs of your customers better than competitors do.
- A holding company structure for allocating capital efficiently and minimizing risks.

For details, see [\*The Family Business Growth Handbook\*](#).

**5. Successful business spouses see mistakes as opportunities.** Entrepreneurial couples face challenges large and small every day. Mistakes come with the territory and often lead to disagreements between business couples. But successful "co-preneurs" look upon those situations as opportunities, family business consultant Joyce Brockhaus tells *Family Business Magazine*. "If the individuals involved can better understand the underlying issues and needs, both their own and those of the other," she says, "there's a much greater probability of defusing the intensity of the conflict and achieving a positive outcome." For more information, see the newly published Winter 2005 issue of [\*Family Business Magazine\*](#).