



# Generations

The Family Business Forum  
of the University of North Carolina at Asheville

Fall 2005  
Vol. 5, No. 1

## Coming Events I

November 29, 2005

Dr. Christopher J. Eckrich will be presenting a program entitled "Working for a Family Business: A Non-Family Employee's Guide to Success" in the Chestnut Ridge Room of UNCA's Reuter Center.

This event will feature two workshops-one designed for the family members who are owners and/or employees in the business and the other for non-family employees- particularly managers and supervisors that are important to your family business. We will serve attendees lunch between the two sessions.

The first workshop will address issues such as:

- What are the behaviors and policies you can use to keep the non-family focused on the family's long term vision and objectives?
- How can we encourage long-term employment without offering equity to non-family employees?
- When and how do we communicate our vision and intentions for continuity?
- Can we competitively recruit the very best and brightest while reserving the CEO and Chairman positions for family members?

The afternoon workshop, designed but not limited to non-family employees, will touch upon topics such as:

- What makes a family business unique?
- Do family firms have competitive advantages because they are family owned?
- How do I map my career development since I work for a family controlled company?
- How can I navigate the choppy waters that can arise when conflicts occur among family shareholders?
- Should I expect to interact differently with senior and junior generation family members?
- What are business-first and family-first business owning families? How do they differ? What are the ways I should conduct myself in one or the other?
- How do I amass political capital with members of the owning family?



Chris J. Eckrich

## From The Director

First, please join me in welcoming the newest members of our Family Business Forum:

- Dover Insulation, Inc of Marion, N.C. -
- Laura Dover Doran & Family
- Riverbend Sportsman's Resort of Fingerville, S.C. -
- Ralph N. Brendle & Family
- W.P. Hickman Company of Asheville, N.C. -
- Mr. Scott Hickman & Family

All three attended one of our programs as a guest of a member or sponsor and saw real value in the programs and the opportunities to interact with other families in business on a regular basis. I want to recognize a colleague and friend, Ann Kinkade of the University of Wisconsin's Family Business Center, who first shared with me the idea of involving our existing members and our valued sponsors in the new member selection process.

I want to encourage each of you to give some thought to family business guests as part of your pre-meeting routines as we move through this program year. After all, it is your organization.

Having special guests at each meeting also can help energize the sessions. Our October program involving the family business case study was, in my opinion, the most interactive one we have ever had. Certainly, some of that activity was due to the topic and the presentation methodology. However, guest Dr. Scott Johnson, Director of the Family Therapy Center of Virginia Tech, also generated interest and discussion with some of his comments and perspectives.

Recently, I had the opportunity to attend UNCA's Founders Day dinner. It was my first opportunity to meet Chancellor Anne Ponder before she spoke to you at our October program. I was quite pleased to see many Family Business Forum members in attendance. Member Jim Stickney of Insurance Service of Asheville, received the Francis M. Delany Alumni Award for Service to the Community and member Tom Hunnicutt Sr., who served as UNCA Athletic Director from 1993-2000, was inducted into the UNCA Athletics Hall of Fame. Like all the other award recipients that evening, both of these gents were very humble in accepting their respective honors preferring to recognize others and the University. I left feeling good about being a part of the UNCA Family.

Rich Lasher  
Executive Director



-I just don't feel confident in the next generation leader. Now what?

Chris Eckrich has served as an adjunct faculty member at the University of Notre Dame and is a founding advisor to The Family Business Center at the University of St. Francis. He is also a principal in The Family Business Consulting Group, Inc. and received the Family Firm Institute's 1994 Outstanding Doctoral Dissertation Award for his research on family business dynamics.

He has an undergraduate degree from

Notre Dame and a master's degree and Ph.D. from Purdue University. In addition, Dr. Eckrich comes from an entrepreneurial family that has resulted in several family firms.

Each member business will also receive a copy of the book "Working for a Family Business: A Non-Family Employee's Guide to Success" as co-authored by Dr. Eckrich and Dr. Stephen L. McClure.

Look for additional details and the registration materials on this program around mid-November.

### The Family Business Forum of the University of North Carolina at Asheville

The purpose of the Family Business Forum of the University of North Carolina at Asheville is to enhance the viability of closely held businesses in the region. Guided by its members and supported by sponsors, the forum presents programs and activities that are meaningful and relevant to the membership. The Advisory Board, composed of a sponsor, FBF members and the executive director, develops programs for the year, which runs September–May. The forum is a resource to successful family-owned businesses seeking to support the entrepreneurial spirit of the family and the company.

#### Advisory Board

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**Richard Lasher**  
Executive Director  
UNC Asheville



*Generations*, the newsletter of the Family Business Forum of the University of North Carolina at Asheville, is published four times a year by the UNC Asheville Family Business Forum, CPO #1800, One University Heights, 320A Owen Hall, Asheville, NC 28804-8507, telephone 828/251-6797 voice box 8003, e-mail rlasher@unca.edu. Richard Lasher, Executive Director. Nonprofit postage paid at Asheville, NC. Printed by Daniels Graphics, 131 Sweeten Creek Road, Asheville, NC.

Visit our Web site at [www.unca.edu/fbf/](http://www.unca.edu/fbf/)

## Chimney Rock Park Asheville, NC



Three Generations of Morses —  
Lu, Ethan, Todd, and Tristan

Dr. Lucius B. Morse came to western North Carolina to recuperate from the tuberculosis he contracted while he was a practicing physician in Chicago. In 1902, he paid the family that owned the Park 25 cents to ride up by mule to the base of the Chimney. After immediately falling in love with the property, he convinced his two other brothers to make the original land purchase of 64 acres. Today, the Park consists of 1000 acres of incredible scenic and natural beauty.

As it celebrates over 100 years of Morse family stewardship, Chimney Rock Park and Chimney Rock Company have been faithful to a mission to provide access to a quality experience for its guests as it sustained a successful business operation.

Central components to the company's strategy include marketing, customer service excellence, retail and food & beverage revenue development, and the maintenance of solid support operations. The Park's marketing strategy has successfully positioned it as a place in which a visitor can see all that is special about the region in one convenient, safe place. Another part of the positioning involves being perceived as a "spoke" in Asheville's wheel in the mind of visitors that are planning a trip to the area. Asheville's combined marketing power (in partnership with organizations like Biltmore Estate and Grove Park Inn) allow the Park to maximize the effectiveness of its marketing through cooperative placements of ads and partnering programs.

As the company moves into the future, the continued optimization of existing businesses will remain essential, but the development of diversification strategies to reduce the Park's weather sensitivity will

gain in importance. The company's current business plan addresses ways to improve revenues through the construction of new, better located operations for retail and food and beverage. When completed, these structures will allow the company to improve revenues by eliminating the constraints and limitations of current spaces. New business development will take form by building on existing company strengths, resources, and internal talents. A new business, named Chimney Rock Design Studio, creates an innovative way for the company to help other landowners go full circle in integrating the natural environment, economics and planning to create a unique sense of place. A new training venture, Rockin' U!, capitalizes on the Park's consistent, genuine, friendly customer service delivery and long-time interest in organizational and individual development. A new retail / wholesale nursery will grow as a result of internal talents and a regional interest in native plants in landscaping. Guided rock climbing through Fox Mountain Guides affords guests the opportunity to experience the thrill of climbing some of the Park's incredible cliff faces. And a business selling apple wood chips will allow the company to effectively utilize deteriorating resources to generate revenue.

The execution of these strategies relies on a management team that is talented, diverse, and committed to realizing the potential of Chimney Rock Company and its associates.

The Morse family is currently working on long-range and estate planning to determine the future course for this 4<sup>th</sup> generation family business.

For more information on the Park, special events and programs, please go to [www.chimneyrockpark.com](http://www.chimneyrockpark.com) or call (828) 625-9611.



Chimney Rock

## Coming Events II

February 23, 2006

“What makes a family work? And, how can we make it work together?” Behind most family businesses is a dream of a collaborative family- supportive, productive, working together effectively and enjoyably. Accomplished owners/managers, who feel confident in all other aspects of business, management, strategy, finance and leadership, often find their family dynamics difficult to understand. Parenting, marriage, family branches, gender, birth order, in-laws- the organizational aspects of families are the source of the greatest joy, and the highest anxiety, in family enterprise.

**Dr. Kelin E. Gersick** will be leading this morning program on “**Family Dynamics and Family Governance**” in the Chestnut Ridge Room of UNCA’s Reuter Center.



Kelin E. Gersick

This session will look at families as systems, explore some of the basic concepts in family structure, process and development and then discuss the relevance of family dynamics to governance in family business. The program will use examples and concepts to help participants look at their own families in new ways. Bring your spouses and your family group; this session will start conversations you can continue in the car on the way home, and through many evenings to come.

Kelin Gersick is co-founder and a senior partner of Lansberg, Gersick & Associates, a research and consulting firm in New Haven, CT that serves family businesses, family offices and family foundations. He is a published author and former editor of the “Family Business Review” and is the lead author of “Generation to Generation: Life Cycles of the Family Business.”

Dr. Gersick received his Ph.D. from Harvard University and a B.A. from Yale University. He has served on the faculty of both universities and presented family business seminars in more than 20 countries.

Forum members can expect to receive additional details on this very interesting and informative session in early February, 2006.

## MEMBER NEWS . . .

Daniels Graphics recently completed the purchase of the assets of Signature Press, Inc. of Conover, NC. Signature had specialized in the manufacture of furniture catalogs and related marketing materials for the furniture industry. The large format, multi-color offset presses used for this work have been moved to Asheville and are now in production at the Daniels Graphics plant on Sweeten Creek Road. Ned Lutz, president of Signature Press, has joined the Daniels Graphics organization and will represent the company in the Hickory area.

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Herrmann International’s Product, the HBDI (Herrmann Brain Dominance Instrument) was recognized in this month’s *Fast Company* magazine for business professionals.

The HBDI is the world’s leading thinking styles assessment tool. It identifies your preferred approach to thinking: emotional, analytical, structural or strategic. The HBDI is a 120 question diagnostic survey. Your answers indicate your thinking style preferences. Because it is a self-analysis, most people immediately recognize their results as accurate.

Since your thinking style preferences influence your communication, decision-making, problem solving and management styles, understanding your preferences gives you a new perspective of yourself and others you interact with every day.

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### PRO-TECH SERVICE AWARD:

We are proud to announce that Advanced Business Equipment has been awarded Knoica Minolta’s coveted Pro-Tech Service Award for an unprecedented TEN consecutive years. This prestigious award is earned by select dealerships in recognition of exceptional commitment to customer service and satisfaction. The Pro-Tech award symbolizes our commitment to our valued customers. It is a testament to our professional, reliable service and maximum performance for office equipment. We have been honored with this prestigious award and we would like to thank our employees and our customers who make it possible to consistently be the best!

“*The Pro-Tech Award indicates an exceptional commitment to customer service and satisfaction. The award is exclusive for our industry, intended to recognize the “best of the best.”* – Mr. James Ingrassia - Konica Minolta VP of Technical and Professional services

### HP VIP DEALER:

Advanced Business Equipment is pleased to announce our new VIP Business Partnership with Hewlett Packard. As a “VIP Dealer” we join an elite group of less than 50 dealers across the country authorized to Sell and Service Hewlett Packard’s high-end mono/color multi-function product line. Additionally, we are partnered with HP to provide a wide range of imaging and printing solutions. A full catalog of products is available on our website [www.abe-ash.com](http://www.abe-ash.com).

# An Open Letter to the Non-Family Executive

by Craig E. Aronoff and John L. Ward

If you're a new non-family executive in a family company, or if you're thinking about accepting a management position in a family firm, you may be wondering how to make the experience a successful one. It's a wise thing to think about, because family firms pose many challenges to executives that they don't encounter in other companies.

Based on our years of experience working with hundreds of family-owned businesses, we offer the following observations:

**The opportunity for ownership is probably not on the table.** Only about 3 percent of family businesses in this country give equity to non-family managers. There are some solid reasons why it's not a good idea for family firms to offer equity. Doing so dilutes the family's ownership and, over time, can dilute its control. Families recognize that

someday, stock has to be bought back, and often, this can come at the wrong time and put a strain on the business. It's also difficult to decide who should and who should not receive equity in a company. So, even if the CEO hints that you might have ownership one day, don't take it too seriously.

However, as a key non-family executive, you should expect to be well-rewarded — with a fair market-rate salary and incentives that might include phantom stock, bonuses, or other financial considerations.

**Becoming CEO may not be in the picture.** While we urge family businesses to create career paths for non-family executives that enable them to aspire to the highest levels in a company, the dream of many — if not most — business owners is to pass leadership of the company on to their children. Before you are hired, the owners should make it clear whether or not the CEO role or other top positions are reserved for family. Armed with that information, you can make a more intelligent decision about whether or not a given family company is right for you. Keep in mind, however, that the CEO's job is not the only important position in the company. If your temperament and ego permit, you might find some other senior-level role equally or even more satisfying.

**All family businesses have “family issues”.** These range from who in the family is permitted to join the business to how sibling rivalry affects other employees and the business itself. They can include what happens when the owner's son-in-law, a high-level executive in the company, gets a divorce from the owner's daughter, or when the founder and his children cannot agree on the direction of the company, or there's

a desire on the part of an owner to have the company provide employment for Cousin Tammy, who just can't seem to keep a job elsewhere.

You need to anticipate that family relationships will affect the business and that the business in turn will affect the family. We urge you now to educate yourself about the way family businesses work. Many colleges and universities around the country have family business programs that offer seminars for family business owners and key employees. A number of books and publications are also available to assist you. For information on several, please visit our website at [www.efamilybusiness.com](http://www.efamilybusiness.com).

**You will never really be “part of the family”.** No matter how well you are treated, no matter how much the family likes you, and no matter how many family events you are invited to, you are not a member of the family.

You may be the only non-family employee invited to a family wedding. It's likely the owner will confide in you, and you will be exposed to personal information about the family. But don't mislead yourself — you still aren't part of the family. It's best to be as professional as you possibly can. Be friendly and polite, but keep a little distance. Don't let a desire for special treatment by the family become part of your emotional need. With the family, family will always come first. Family relationships are stronger than other relationships.

From *More than Family: Non-Family Executives in the Family Business* by Craig E. Aronoff and John L. Ward. Copyright 2000, Family Enterprise Publishers.

## About Our Sponsors

### Colton Groome & Company

Since 1950 Colton Groome & Company has provided clear strategies in a complex financial world. Colton Groome is a financial strategies and benefit planning company that assists business owners in establishing carefully constructed financial security and succession plans. Offices are located at 34 Orange St., Asheville. (828/252-1816, fax 828/254-5895)

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### McGuire Wood & Bisette PA

McGuire Wood & Bisette is the oldest law firm in Asheville with continuous practice dating to 1894. The firm is focused on the business, financial and litigation needs of its clients in Western North Carolina and across the United States. The firm is located at 48 Patton Ave., Asheville, in the Drhumor Building. (828/254-8800, fax 828/252-2438) [www.mwbavl.com](http://www.mwbavl.com)

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