

Helping Family Businesses Succeed Since 1996



FAMILY TIES

A quarterly publication from the UW-Madison Family Business Center to help our members stay connected to each other and to the FBC.

KIM HENDRICKS PRESENTS AT 2007 TAILGATE



Keynote Speaker, Kim Hendricks

The Summer Tailgate is a great time to meet friends and create new acquaintances from other family businesses. This year the fun social event began with the MadHatters, the UW Men's a capella group known for captivating their audience and getting them "in tune" with classic pop harmony selections. Tailgate attendees were delighted by their performance.

Many of the Summer Tailgate attendees represented the second generation of their family business. They and the rest of the business-owning families could relate to keynote speaker Kim Hendricks, as she talked about being raised in her family business, **ABC Supply Company**. Founders Ken and Diane Hendricks and many other members of the family were also present.

The evening program concluded with **Wollersheim Winery** winning the drawing of \$500 toward their 2007-08 FBC membership, and Joanne Driscoll, **PKK Lighting**, winning the flower centerpiece.



UW MadHatters

IMPORTANT MEMBERSHIP CHANGES



1. Membership fee is three-tiered, based on your company's annual revenues.
2. A registration fee of \$50/person/program will be assessed.
 - Up to 4 family or board members, or key non-family managers may attend. More registrations available if space permits.
3. 7 quality programs with nationally known and respected family business presenters.
 - A variety of topics, suggested by members, which will assist in implementing the best practices for a family business.
 - 5 programs have a registration choice of a Monday afternoon or Tuesday morning.
 - 1 program has a choice of the educational level the family business requires.
 - 1 program is at Monona Terrace to bring all members, sponsors and potential members together.
4. PeerSpectives: CEOs will join together for small group learning (additional fee); TBA
5. "Food for Thought": FBC Founding Sponsors present educational breakfast sessions (at no additional cost).
6. Additional Sponsors have joined.

Continued Member Benefits

- Relationship building with other family businesses and sponsors
- 20% off Executive Education classes
- Invite potential members at no cost
- Reciprocity with Oshkosh FBC
- *Family Ties* quarterly newsletter
- Study Pub passes
- Annual Report
- Referral to resources

Core Strategy Question III: Why will your customers choose you?

Think like your customers

By: Kay Plantes, Ph.D.

Kay is an established strategic planning advisor to family businesses and other privately held businesses who has been helping FBC with its strategic planning efforts. In previous issues, Kay has addressed the first two of four core strategy questions that collectively define your business model: "Who is your target market?" and "What business are you in?" This month, she builds upon those previous answers to take on Strategic Question #3.



Kay Plantes

All purchase decisions are based on value, which is the difference between the total benefits of a company's offering and the direct and indirect cost the customer must incur to acquire these benefits. Successful companies answer

the question: "Why will your customers choose you?" with a unique value promise that places their company at the top of the value scale in their target market's mind.

A differentiated value promise is key to avoiding competing on price. Commodity competition emerges when price is all that separates the value of different companies' offerings. It occurs when you and others appear, from the customer's perspective, to offer the same benefits. Unless you can confidently and consistently be the lowest-cost supplier, it is critical for your company to have a distinctive and credible value promise.

(We will talk about credibility in the next column. Without it, your value promise becomes advertising spin.)

Recall my first story about Bob Finfrock and his family business. He decided to sell complete parking structure solutions to owners—a dramatic shift from selling prestressed-precast concrete building components to general contractors. Bob succeeded in this change because his company had a unique value proposition that led owners to consider and select his company over established construction companies: "We'll save you time, reduce your risk, and give you more parking spaces for your dollar."

Bob's value proposition worked because—from the *customer's* perspective—it set his business apart on *benefits that matter*. If Bob instead voiced, "We make the best precast in the world," customers would have closed the door. They don't care much about precast versus other

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Family Business Women 2007-08 Program Schedule

A very creative, exciting program schedule has been developed by Diane Ballweg, *Endres Manufacturing Company*. If you are not yet a member, contact the FBC at (608) 441-7347 ASAP! You don't have to be an FBC member to join, and guests are welcome to one event. Membership is \$100/year/person. There will be a nominal fee for the special event in September. Invitations to each event will be mailed about six weeks prior to the event. Mark your calendars now!

- **Friday, September 28, 3:00-11:00 p.m.**

A jam-packed event with a movie, discussion, wine tasting, dinner, Madison Symphony Women's Chorus and reception to follow.

- **Tuesday, December 4, 11:30-1:00 p.m.**

Tour the new Kitchen Hearth facility and enjoy one of their tasty lunches.

- **Tuesday, February 5, 11:30-1:00 p.m.**

A business philanthropy discussion with Madison Community Foundation.

- **Tuesday, May 6, 11:30 - ???:**

Tour the new facility at Wollersheim Winery and lunch in their garden.

Be the Next Member in the Spotlight!

FBC Members are encouraged to volunteer for one of the 11 Member in the Spotlight opportunities. Please contact the FBC office at (608) 441-7347 by August 31 and provide a date you and your family would like to present.

CENTER NEWS

Welcome New Members:

- **Boelter Companies**, Milwaukee
- **Excellence in Dentistry**, Madison

Website Updated and New URL: The FBC's website is getting a new look. Please note the web address is now: <http://exed.wisc.edu/fbc> (no need to key in the www).

FBC Director, Ann Kinkade, was cited in the article, "Work Date: All in the Family Business", which appeared in **The Bend Weekly**, Bend, OR. Ann was also interviewed with *On-Air with In Business Magazine* to talk about the FBC. The program aired on Madison 1670 radio on July 24, and is accessible at: http://podcast.loyalears.com/wtdy.php?task=browse&file_id=1524



Celeste Taber
FBC Office Manager

New FBC Position:

To accommodate the growth of the Center, the position of FBC Office Manager was added. The FBC was fortunate to hire Celeste Taber. Celeste originally hails from western New York. She is married to Mark Taber and

they have two adult children. Celeste has an extensive background in office management and most recently worked for Executive Education. She enjoys travel, dining out at small, out-of-the-way restaurants and especially enjoys hiking in the woods. She plans to hike the Appalachian Trail someday.



Audra Goulding

FBC Summer Student Assistant: Audra Goulding is helping the FBC during the busy summer months. Audra is majoring in legal studies and will be a junior at UW this

fall. She has worked for Executive Education for the past two years. Many of you met Audra at the Summer Tailgate.

Member/Sponsor News



Jim and Margaret Meyer, **Neesvig's**, announced the arrival of their beautiful granddaughter, Olivia Catherine, born on May 18. Jim and Margaret's daughter, Sarah, resides with husband, Brian Korreck, in Lakewood, IL.



FBC members are winners! Three companies were recognized at recent award ceremonies for their commitment to their family, business, employees, and community. At the WI Family Business Awards, hosted by Founding Sponsors, **Associated Bank, DeWitt Ross & Stevens** and **Smith & Gesteland**, FBC member **Prairie Athletic Club**, was an award recipient. At the Dane County Small Business of the Year awards, FBC members award winners were **Drake & Company** and **Wind River Financial**.

WoodTrust Financial Corporation opened a new branch in Wausau. Steve Bell's sister/Chad Kane's mother did the interior design.

Beginning in 2007-08, **Associated Bank, DeWitt Ross & Stevens, Smith & Gesteland, The QTI Group, The Zimdars Company** and **Thompson Investment Management** will be called "Founding Sponsors". The FBC will also welcome additional sponsors, called "Sustaining Sponsors".

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alternatives; they care primarily about how their own business is performing. Similarly, had he said, "We are a quality builder," customers likely would have responded, "Sorry, but we already work with quality builders."

Remember that customers want to know how you'll help them. To be heard, your value proposition must promise benefits that make your company their highest value alternative. How you create these benefits—the attributes of your company—is an important, but secondary consideration from the customer's perspective.

Why do your customers chose you?

In the November Family Ties, this column will address what makes your value proposition believable and unique.

FAMILY BUSINESS CENTER SPONSORS

A special thank you is extended to the following sponsors. These businesses provide the Center and its members not only with necessary financial support, but also with expertise in family business issues and a commitment to the cause of family businesses. If you have questions, they can help.

- ASSOCIATED BANK N.A.
- DEWITT ROSS & STEVENS S.C.
- SMITH & GESTELAND LLP
- THE QTI GROUP
- THE ZIMDARS COMPANY INC.
- THOMPSON INVESTMENT
MANAGEMENT, LLC
- FBC DIRECTOR & EDITOR: ANN KINKADE
- OUTREACH ADMINISTRATOR: JOYCE FASANELLA
- NEWSLETTER PUBLISHER: AUDRA GOULDING

Register TODAY!

*Ethics: The Heart of a Family Business –
An Interactive Forum*

Presenter: Denis Collins, Professor of Business at Edgewood College, Madison, where he teaches classes in management and business ethics.

Where: Fluno Center, 601 University Ave

When: September 11, 2007

Time: Breakfast: 7-8; Program: 8-11:30

In this interactive forum, participants will:

- Jointly explore a family business issue with ethical ramifications using a live case study.
- Learn a simple framework for deriving moral decisions.
- Apply the ethical decision-making framework to a family business problem.
- Examine a model for integrating ethics throughout a family business.
- Share stories about, and solutions to, common ethical issues in family businesses.

Ways to Register:

- **Online:** <http://exed.wisc.edu/fbc>
- **Call:** (608) 441-7347
- **Fax:** (608) 441-7337

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