

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.

Food for Thought Members Only Breakfast Series

This new member benefit began on October 25. Founding Sponsors, **Smith & Gesteland** and **Thompson Investment Management**, examined life events that dramatically affect the family and family business. Plan now to attend the other *Food for Thought* programs!

- **Tuesday, January 15:** *Tips for disciplining, investigating, terminating employees; long-term care insurance (DeWitt Ross & Stevens and The Zimdars Company)*
- **Tuesday, May 13:** *Consumer driven health plans & individualized pay (Associated Bank and The QTI Group)*

School of Business Career Center

By: Steve Schroeder, Assistant Dean
www.bus.wisc.edu/career

There are many UW Madison resources available to FBC Members. One excellent resource is the Business Career Center.

The Business Career Center (BCC) at the University of Wisconsin-Madison School of Business can assist your family business in a variety of ways. First of all, the BCC offers a free on-campus recruiting program which allows organizations to interview our bright and energetic business students in one of our 21 interview rooms right in Grainger Hall. This is a great way to meet many candidates in one place. Secondly, the BCC hosts the School

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Core Strategy Question IV: What's your difficult-to-copy proof that your value proposition is true?

By: Kay Plantes, Ph.D.

Kay is an established strategic planning advisor to family businesses and other privately held businesses. In previous issues, Kay addressed the first three of four core strategy questions that collectively define your business model: "Who is your target market?", "What business are you in?" and "Why will your customers choose you? Think like your customers".



Kay Plantes

Integrity is at the heart of building trust with employees and family members. It's also a key element in a winning business model. Is your company designed to make your value proposition (i.e., the reason customers should chose you) both honestly true and challenging for competitors to copy?

Let's use a simple example. Lean Cuisine promises a healthy frozen dinner choice. But, examining its nutrition label, many meals are anything but lean. Competitors could gain share by offering equivalent flavor with less fat. Lean Cuisine's claim is advertising spin, not a true value proposition that is hard to copy.

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NEW FRIEND!

Being a *Friend* of the UW Family Business Center confirms commitment, belief and support of the FBC mission, and helps business-owning families succeed for generations. **Madison Gas & Electric (MG&E)** became the latest *Friend* with its donation of \$5,000. If your company would like to become a *Friend* please contact FBC Director, Ann Kinkade, at (608) 441-7338.

(CAREER CENTER: continued from page 1)

of Business' job board, which is a free service for all employers. Recruiters can post positions for up to 30 days on our job board, which is accessible to current business students and School of Business alumni. From internships to executive level positions, the BCC job board can help you find quality employees.

In addition to on-campus recruiting and the job board, the BCC sponsors two career fairs each academic year. The fairs are located at the Kohl Center and run from 4:30-8:30 p.m. Held each Fall and Spring, the career fairs are an opportunity for you to meet a broad cross-section of students interested in working for your family business. The Spring fair is tentatively set for February 11, 2008.

On-campus recruiting, the job board, and career fairs are just three of the many services the BCC offers employers. Call 608.262.2550 for more info.

Ethics Program Thought Provoking



(left) Westphal (right) Collins

Denis Collins, professor at Edgewood College, opened the 2007-08 program season with "Ethics: The Heart of a Family Business" on September 11. Tom Boldt, **The Boldt**

Company, was the live case study and discussed a very personal ethical issue affecting his family and family business. FBC member, John Westphal, **Westphal Company**, "volunteered" for a Q&A from his peers about how his family business handled an ethical issue.

NEW Program Registration Details Choose the Date Best for You

To give Members more program options and to manage capacity, the FBC is now offering programs on Monday afternoons and Tuesday mornings. Members can register a total of four people between the two options; e.g. two can register on Monday afternoon and two on Tuesday morning. Registration fees for FBC Members are \$50/person. Invoices will be e-mailed after each program. Cancellations five calendar days prior to the program and No Shows on the day of the program are invoiced for the full amount. If Members would like to register more than four, they will be waitlisted and registered on a space available basis.

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"Why is our value proposition unique and hard to copy?" is the fourth core strategy question and it's the hardest to answer effectively. There are three reasons why companies fail to create a believable and unique, that is hard-to-copy value proposition.

First, the day-to-day demands of getting work done crowd out the "getting different" agenda. Finrock Industries, the family business from our last column, invested in long training seminars to innovate its business model from engineered-component subcontractor to selling completed buildings. Owner Bob Finrock was ruthless in protecting this time commitment.

Second, family dynamics or company culture keep different parts of the company from working well together. Finrock delivers on its promise of "less time, less risk and more for your money" because its architects, construction managers, subcontractors and manufacturing unit design processes and make decisions to remove schedule time and risk and cost on each project. General contractors can't copy Finrock because they work with independent architects and precast companies, each after their share of the pie.

The final reason companies fail in creating a believable and unique value proposition is that managers, in pursuit of higher revenue, chase new target markets, each demanding different things. In doing so, the company must be all things to all people, a sure-fire road to being frequently considered, but rarely chosen.

The four core strategy questions must be answered concurrently, as decisions are interdependent. If your value proposition doesn't appeal to your target market, forget it. If you can't create advantages that competitors can't easily copy, find a different value proposition. The first place to start in your quest to innovate your business model is with the following question: Which target market would most benefit from what we are or can be uniquely good at? The trial and error learning process that follows will be good for your employees, your family's excitement about the business, its financial results and most important, your legacy as a leader.

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.

Founding Sponsors

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DECEMBER PROGRAM

Strategic Planning: Building a Thriving Family Business

Presenter: Kay Plantes, Plantes Company

Where: Fluno Center, 601 University Ave
Choose the strategic planning option best suited for your company!

Option #1: *Getting Started*

Monday, December 10, 2007

12:30-1:00 p.m.: Networking and Registration

1:00-4:30 p.m.: Program

Option #2: *Tools for Improvement*

Tuesday, December 11, 2007

7-8:00 a.m.: Breakfast/Networking/Registration

8-11:30 a.m.: Program

Choose the strategic planning option best suited for your company!

Ways to Register:

- Online: <http://exed.wisc.edu/fbc> (after Nov. 7)
- Call: (608) 441-7327
- Fax: (608) 441-7337

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ADDRESS SERVICE REQUESTED

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