



Volume 10, Issue 4  
November 2002

# FAMILY BUSINESS NEWSLETTER

A publication of the Delaware Valley Family Business Center, LLC



**Walter Sutton**  
W.G. Sutton International, Ltd.  
Seattle, Washington

## The Secret: Tools and Choices for the Leaders of Today and Tomorrow

Special Joint  
Event with TEC!



Thursday, November 21, 2002

7:30 a.m. to 12:00 noon  
Indian Valley Country Club  
Telford, PA  
(breakfast buffet included)

Celebrating the  
10<sup>th</sup> Anniversary of the  
Family Business Forum!

**W**alt Sutton has a secret. It's a collection of tools to empower executives in both their work and *their life*.

President of W.G. Sutton International, Ltd., Seattle, Washington, Sutton is the featured Forum speaker Thursday, November 21, at Indian Valley Country Club. His topic is "The Secret: Tools and Choices for the Leaders of Today and Tomorrow."

### Collection of executive tools

Drawing from more than 8,000 interviews he has conducted since 1996 with successful (and happy!) business executives, Sutton will introduce a collection of powerful executive tools.

These range from sweeping activities that dramatically alter culture (such as strategic planning or an annual personal retreat) to eclectic actions (such as foreign travel and reading). This is a rich and

remarkably diverse assortment of devices and processes that business executives have used to significantly improve their career and life.

In an interactive discussion, each tool and its uses are examined. Sutton says that being a successful business person is more art than science; the most successful executives choose tools carefully, then use them selectively and creatively.

Forum participants also will learn what the tools *cannot* do. For example, tools can't compensate for misreading the marketplace or undercapitalizing one's business.

### Self-examination

The Greek philosopher Socrates is famous for his dictum "Know thyself." He also said, "The unexamined life is not worth living." Taking a page from Socrates, Sutton asks each Forum participant to perform a scan of his or her executive life – past, present and future. Based on this review and the combined experience of the participants, the group will launch into a discussion about life in family businesses: its rewards, expectations and costs.

### Model for balance in executive and personal growth

Sutton presents a model for executive and personal growth using the tools. The goal is to bring life and job into an acceptable (albeit dynamic) balance.

Upon completion of the session, each participant will have sufficient clarity and skill to do the periodic work necessary to achieve a happy mix of "work" and "life." At the heart of Sutton's thesis is that business executives should be both successful *and* happy.

### About Our Speaker ...

Walter Sutton founded his first company at age 27. A technology pioneer, he started, owned, grew and sold four different companies – all computer-related – over the next 23 years. He was a TEC (The Executive Committee) member the last six years of his ownership career and credits TEC with many insights.

Since 1996 Sutton has been a consultant, writer (*Leap of Strength*) teacher and poet ("Christmas 1987"). Sutton says he has discovered that he enjoys "studying and writing about businesses more than founding and running them." He lives in Seattle with his artist wife.

"Accepting a lesser challenge is selling oneself short," says Sutton, "because, although there may be many 'jobs' in a career, we all know there's only one *life*."

We think *you* will find the November 21 Forum to be well worth your time. It promises to be an empowering and inspiring morning.

### Sutton Will Address the Nine Core Tasks of a CEO

- ◆ Survive
- ◆ Make the Deals
- ◆ Find and Navigate the River of Cash
- ◆ Bear Debt and Allocate Profit
- ◆ Discover the Nature of the Secret and Use It
- ◆ Apply the Rule of Entrepreneurs and Managers
- ◆ Build a Society and Define the Seasons
- ◆ Acquire and Exercise Vision
- ◆ Live a Life

### Member Highlight at November 21 Forum

**M&C Specialties Company** has a strong commitment to management development for both family and non-family leaders. Second-generation President Don Rauch has been an active member of TEC for over nine years, and Dave Cornelison, Vice President of Sales & Marketing, has been an active member of TEC's Key Executive Program for over three years.

At the Forum on November 21, Dave will share briefly how TEC's Key Executive Program has been helpful to him as a key non-family executive in a family-owned business.



**David Cornelison**  
Vice President Sales & Marketing  
M&C Specialties Company  
Southampton, PA

# Scenes from Our September 19, 2002, Family Business Forum

## SOBs and DOBs (Sons and Daughters of Bosses) – Heartburn, Heartbreak or Heaven-Sent?

John Fast, Ph.D., Family Enterprise Solutions, Waterloo, Ontario, Canada  
Heather Hartman, Esquire, Sealstrip Corporation, Boyertown, PA



**Henry Landes'** Spotlight on the *Policy Handbook for Business Families* focuses on Management Succession, the foundation of a business family's Circle of Competence. He outlines three stages that many successors go through en route to key management positions in a family business.

**John Fast, Ph.D.**, explores the fascinating dynamic between bosses and sons in a humorous romp through family business history to over 90 persons gathered for a morning of learning together.



Jeff and Flicker Reese, K. W. Reese, Inc., Mercersburg.



Heather Hartman with her mother, Jo Anne Forman, President of Sealstrip Corporation, Boyertown.

## A Daughter's Perspective

**Heather Hartman, Esq.**, recently appointed Executive Vice President at Sealstrip Corporation in Boyertown, PA, has worked in her family's second-generation business since she was a teenager. Heather shares her experience from *A Daughter's Perspective*.



(Left to right) Cheryl and Gary Derr, Frank Diamente, Matt Harman, Diversified Refrigeration, Inc., Dublin.



Mark, Darryl, Valerie and Barney Berlinger, ASI Technologies, Inc., Horsham.

## Member Comments About the September Forum

Dr. Fast brought into focus two important facts: the differences in thinking between generations and, most importantly, the critical need for succession planning for long-term corporate visibility and growth.

**Barney Berlinger, ASI Technologies, Inc., Horsham**

Both speakers gave excellent presentations. I appreciated their insights. The people I met were refreshingly friendly and down to earth. The speakers reminded me just how "emotional" family business issues can be, and that I'm not an "isolated case" in my occasional attacks of intense emotion regarding my involvement in our family business.

**Rebecca Finkenaur, Polymeric Systems, Inc., Phoenixville**

Welcome to a new member firm, **Hair Systems, Inc., Englishtown, New Jersey, William and Mabel Covey.**



## Welcome to NEW Forum Members

**Heacock Lumber, Plumsteadville**  
**Rex Heat Treat Company, Lansdale**  
**Hair Systems, Inc., Englishtown, New Jersey**

## News & Notes from Our Director

This year marks an important milestone for our Center ... the 10th Anniversary of our Forum! We look forward to continuing to offer member-valued programs and services to help your business family plan for the future AND implement the plan!

I was pleased to participate in the **launch of our initial Next-Generation Learning Lab** meeting in September. It was exciting to witness the energy and strength of the 10-member group! At the request of members, additional Next-Generation Learning Labs are in the planning stages. Please call if you have interest.

The **Women in Family Business Conference** was well-received by the diverse group of women who attended. Your ideas and suggestions for future events are always welcome.

And, **congratulations** to two Members firms – **Laminators, Inc., Hatfield, and Sealstrip Corp., Boyertown** – who were featured in *The Intelligencer* in September! I'm always pleased to see the best practices of our members highlighted in regional publications. By the way, both of these companies are represented in our Next-Generation Learning Lab – **Dave Thompson, Jr., Laminators, and Heather Hartman, Sealstrip!**



Sally Derstine  
Forum Director

## How Women in Family Business Find Their Voices & Define Success

Annual Women in Family Business Conference



**Beryl Byles** led our women in family business group through a powerful, interactive exercise where each participant utilized a "**Success Matrix**" to identify their greatest opportunities for success and their unique mission in life.

## Unable to Attend the September 19, 2002, Forum?

\_\_\_\_ Please send me the audio tapes (set of 2) and handouts of the last Forum featuring John Fast, Ph.D., and Heather Hartman: "SOBs and DOBs (Sons and Daughters of Bosses) – Heartburn, Heartbreak or Heaven-Sent?" (\$20)

Name \_\_\_\_\_

Address \_\_\_\_\_

Please add 6% sales tax and \$3 shipping to the total and make your check payable to Delaware Valley Family Business Center, LLC, 1011 Cathill Road, Sellersville, PA 18960, (215) 723-8413.

## Why Your Will Can't Wait

by Jonathan Samel and Diane K. Foxman, Hamburg, Rubin, Mullin, Maxwell & Lupin

In a few brief moments on the 11th of September, 2001, we were all brutally reminded how fleeting life can be. It was a wake-up call to those of us (most of us!) who have not planned for the eventuality of our death. Proper planning involves doing a number of things, including making a will.

### Why are so many of us reluctant to make a will?

There are many reasons. Some people think they have plenty of time to take care of it later. Others think they don't have enough assets to worry about a will. Some think it costs too much – even though they really don't know what that cost might be. And many just don't think, shifting the responsibility to their loved ones when they are least able to cope.

### Why make a will?

A will is a legal document that outlines your intentions regarding the disposition of your home, money and other assets upon your death. It also allows you to:

#### 1. Select an executor and trustee.

By appointing individuals you trust, you insure that your wishes will be carried out.

#### 2. Appoint a guardian of your minor children.

You wouldn't let someone else pick your child's day care. Why would you let a stranger decide who will raise your children?

#### 3. Minimize death taxes.

The IRS doesn't care if you don't plan. Failure to plan often means that they get more of your money and your family gets less.

#### 4. Create a trust.

A trust may be used to manage assets, protect family members and save death taxes. Are there family members whose inheritance needs to be insulated from the claims of creditors? Do you want to

establish incentive goals that your children must reach before they are given complete control of their inheritance, e.g. completing college, obtaining a full-time job? Do you have children from a first marriage who are concerned that your second husband will spend their inheritance or leave it to his own children after you have died?

#### 5. Provide for the protection and continuation of your family business until it is sold or transferred to a new generation of owners.

"The Estate Planning Fire Drill may sound scary, but we just went through the process and found it to be very worthwhile. We felt Jon Samel and Kevin Nicholson handled the entire process very professionally and made us feel comfortable discussing the future. We are now in the process of making important changes to our estate plan so our objectives will be met in the event of an untimely death or disability."



Cleo & Linda Weaver  
Triangle Refrigeration Co.  
Leola, PA

individually-owned assets if you die without a will. State law might not give your spouse priority – rather a certain amount may have to be distributed to your children, perhaps leaving your spouse without adequate means of support.

### I own everything jointly. Why do I need a will?

Joint ownership may be a useful method of transferring certain property, such as the family checking account, at death. However, in other situations, it can produce very unfortunate results – particularly where death tax considerations are involved. Even where it works, it does not address the situation when the surviving joint tenant dies without a will or where both owners die in a common disaster.

### What other things should I consider?

Making a will is the first step in properly planning for the eventuality of your death. You may also wish to establish a living trust or a life insurance trust. You might also want to execute documents that



Jonathan Samel is a partner in the law firm of Hamburg, Rubin, Mullin, Maxwell & Lupin. Jon has helped dozens of family businesses with tax, estate and succession planning issues.

Members, if you haven't already taken advantage of your complimentary Estate Planning Fire Drill, call Sally Derstine today at (215) 723-8413.



address who will handle your finances and make medical decisions for you if you ever become incapacitated.

### Estate Planning Fire Drill

The Estate Planning Fire Drill offers an opportunity to take the first step in developing or updating your estate plan. This is a quick, concise process designed to identify and resolve problems associated with your untimely death. The Estate Planning Fire Drill is offered at no cost to members of the Delaware Valley Family Business Forum.

### What happens if I die without a will?

If you die without a will, state law directs how your individually-owned assets are distributed. Beneficiary designations on assets like life insurance, IRAs and pension plans dictate who receives those funds. Jointly owned assets will pass to the surviving joint owner.

You might be surprised to learn that your spouse may not inherit all of your

## Introducing a NEW Member Benefit ... Advanced Benchmarking™ Audit



Compare your company against peers and best-in-class performers. Identify obstacles to growth and find competitive opportunities.

To learn more or to schedule this free audit, call Sally Derstine today at (215) 723-8413.

## How Can Family Business Forum Membership Help MY Business Family Thrive?

1. **Quarterly Forum Meetings.** Learn from successful business families and experienced family business advisors. **Member companies receive one FREE registration to EACH Forum.**

2. **Policy Handbook for Business Families.** A practical, how-to handbook designed to educate and help business families meet together to develop their OWN family business policies and plans. **Members receive new Handbook inserts at each meeting!**

3. **Introduction to the Family Meeting Process.** An individual meeting with your family to introduce the family meeting process, how to use the **Policy Handbook** and other resources.

**NEW!** 4. **Learning Labs.** Unique opportunities to focus on specific issues in a smaller learning environment, i.e., Next Generation, Women in Family Business, CEO Spouses, Key Non-Family Managers.

5. **Family Business magazine annual subscription.** Written exclusively for the owners and managers of family companies focusing on the tough issues virtually all business families must face (\$95 value).

6. **Get instant answers** to almost 100 family business topics through an exclusive on-line library housing hundreds of articles ([www.dvfambus.com](http://www.dvfambus.com)).

7. **Estate Planning Fire Drill.** A quick, concise process designed to identify and resolve problems associated with your untimely death; includes a valuable written report (\$500 value).

**NEW!** 8. **Corporate Risk Audit.** A complete study of your company's property & casualty insurance exposures to ensure total protection.

9. **Advanced Benchmarking™ Audit.** **NEW!** Receive a valuable free report, comparing your company against peers and best-in-class performers. Identify obstacles to growth and find competitive opportunities.

10. **Legacy Review.** A quick review to determine if your legacy plan adequately reflects your values and desires.

11. **2002 Membership Directory,** which facilitates member-to-member learning.

12. **Web Site Audit,** designed to develop an action plan with specific objectives, measurements and assigned resources.

### WHAT is the Family Business Forum?

An association of about 90 business families which meets quarterly for educational, interactive programs to help strengthen families and build high-performing businesses.

### Our FAMILY BUSINESS CENTER

Since 1989, our clearly defined process helps families beat the odds through **The Succession Zone.** Our team of experienced consultants, educators, and speakers helps business families:

TALK about the real issues,  
WORK TOGETHER in teams and  
PLAN for the future.

Annual Membership Fee. Thanks to the generous support of our partners, the annual membership fee is \$600. Limited to family firms; subject to review by our Membership Committee. Membership is on an annual basis.

## Return this Form to Register for the November 21 Forum



Business Name \_\_\_\_\_  
Address \_\_\_\_\_ City \_\_\_\_\_ State \_\_\_\_\_ ZIP \_\_\_\_\_  
Phone \_\_\_\_\_ Fax \_\_\_\_\_ E-mail \_\_\_\_\_ Website \_\_\_\_\_



Thursday, November 21, 2002

The Secret: Tools and Choices for the Leaders of Today and Tomorrow - Walter Sutton

Name(s) \_\_\_\_\_ Total Registrations (less one FREE) \_\_\_\_\_ X \$75 = \$ \_\_\_\_\_

Non-members may attend once as a guest at a \$100 registration fee.

NEW MEMBER \$ 600

Total: \$ \_\_\_\_\_

Draw check and mail to: Delaware Valley Family Business Center, LLC, 1011 Cathill Rd., Sellersville, PA 18960  
Cancellations must be made two days prior to event. The registration fee cannot be refunded or waived when cancellations are made after that date or when the registrant does not attend.



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## The President's Corner ... Henry D. Landes

What our clients and members have taught me about ...

### Building Competitive Advantage in Business Families



Since 1989 it has been my special privilege to work and learn, day in and day out, with hundreds of business families. I am deeply grateful for the many valuable lessons business families have taught me over the years!

So when I spoke at the "launch" meeting of the **Next-Generation Learning Lab** on September 25, I wanted to return the favor. I wanted to give this mature, diverse and energetic group of next-generation leaders the clearest picture possible of how they can help their families and businesses thrive, generation after generation. I presented our new **TEN VITAL PLANS** model that you now have in your hands – the colorful insert that dropped out when you opened this newsletter.

This new visual depiction is our attempt to convey graphically, in "3-D," the three sometimes

confusing spheres of business families – family, business and ownership. **This model also shows the basic steps (we call them the TEN VITAL PLANS) that help manage the natural complexities faced by all business families.**

In plain fact, most families won't beat the formidable odds of business continuity. They have neither the capacity nor the tools. They don't gain competitive advantage because they can't – or won't – do the necessary work. Yes, it takes some

**Take a look at the key questions related to each of the TEN VITAL PLANS on the back of the colorful insert. Then apply this model to your business family.**

**Which plans do you and your business family need to address first?**

**At our Family Business Center, we help business families keep the end in mind—and help them get there—which is what these ten plans are all about. Give us a call.**

**Let the planning begin!**

work and discipline to develop these TEN PLANS, but this is not rocket science. What's required here is a commitment to regular discussions to address the REAL questions faced by every business family.

BUT ... discussions are NOT enough. **Successful business families take the next important step to create a compelling vision, to clarify expectations, and to forge commitments to action – written down in simple, straightforward PLANS (perhaps one to three pages each) that chart the course for your business family.**

**"Those who fail to plan ... plan to fail."**

**So how DO business families build competitive advantage through planning?**

Since we believe a strong family is the foundation of any long-term competitive advantage, we usually recommend beginning with the FAMILY plans, building from the bottom up, then moving into the BUSINESS and OWNERSHIP circles. But there's really no "right" way to do it. It's not a straight line. The important thing is meeting, talking and planning. The key is always working together, building capacity in each circle, revising and enhancing all ten plans from year to year, and generation to generation.

In this, the Family Business Forum's tenth year, we're pleased to briefly introduce you to these **TEN VITAL PLANS** for your business family. In the spirit of

mutual learning, we invite your questions and observations about

this TEN PLAN model and about other factors that you believe help business families build competitive advantage. We intend to – yes, *plan* to – present more information about each of the **TEN PLANS**. Stay tuned!

The **Next-Generation Learning Lab** meets monthly to focus on key management and ownership skills, systems and processes. This leadership development process combines **individual mentoring** with **group-based, peer learning**.

Please call Sally Derstine at (215)723-8413 if you have interest in exploring this powerful learning tool.

FORUM AFFILIATES



Family Business Magazine



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## November 21 Forum – Mark Your Calendars!

**Thursday, November 21**

7:30 a.m. -12:00 noon, Indian Valley Country Club, Telford, PA

**The Secret: Tools and Choices for the Leaders of Today and Tomorrow**

Walter Sutton, W.G. Sutton International, Ltd., Seattle, WA



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