



Volume 12, Issue 2
May 2004

FAMILY BUSINESS NEWSLETTER

A publication of the Delaware Valley Family Business Center



Richard D. Wood Jr., CEO
Wawa Corporate Headquarters
Wawa, PA

Join us at our next Family Business Forum ...

Enduring Values and Best Practices at Wawa: the Wind Beneath Our Wings



Wednesday, May 19, 2004

7:30 to 11:30 a.m.

Blue Bell Country Club, Blue Bell, PA
(breakfast buffet included)

You've stopped for Wawa's renowned coffee, cappuccino or hoagies. Now get a taste, behind the scenes, of the Wawa family business.

Richard D. "Dick" Wood Jr., Wawa's CEO since 1981, is the featured speaker at the May 19 Family Business Forum. He will tell the Wawa story in a presentation titled "Enduring Values and Best Practices at Wawa: the Wind Beneath Our Wings."

The aerial metaphor is no accident. The goose has been the symbol of the company since 1902 when the original dairy farm was located on 1,000 acres of Delaware County soil called Wawa, the Lenni Lenape name for Canada geese in flight. The goose was the tribe's favored game.

Yet today's \$2 billion company did not start in 1902. The Woods trace their roots back to 1682 when the first Richard Wood, a Quaker, came from England to Philadelphia. The first Wood family business was founded in 1803 in New Jersey, beginning with shipping, then iron, then textiles. (At one point in the mid-1800s Dick Wood's great-great-grandfather needed to collect some debts, so he exchanged letters with a solicitor in Springfield, Illinois, named ... Abraham Lincoln.)

The family business was incorporated in 1865 as the Millville Manufacturing Co., a textile company with mills in several states. As the current CEO plans to share with us May 19, the history of the firm is replete with "strategic refreshment," as innovative family members found ways to stay competitive.

In the 1890s, as a hobby, George Wood bought a herd of Guernsey cows. In 1902 he opened a small milk plant and began distributing "doctor certified" milk to the region's doorsteps. But by the mid-1900s the family textile business was in trouble as firms were moving south in search of lower wages, and cloth diapers (a Millville staple) and milkmen were becoming cultural relics, being replaced by Pampers and supermarkets. Necessity, once again, was the mother of

invention. Grahame Wood, George's grandson, decided to open a small store that would market the Wawa dairy's milk. A few fledgling convenience stores dotted the Sun Belt, but this was largely a new concept in the Northeast.

In April 1964, when the Beatles were revolutionizing American pop music, the first Wawa convenience store opened on the corner of McDade Boulevard and Swarthmore Avenue in Folsom. Like the Beatles, the store was a hit. Grahame Wood, cousin of Dick Wood's dad, revolutionized the way people in the Philadelphia area shopped. The store is still there, though it has been remodeled several times.

The rest, as they say, is history. Wawa now has about 550 stores and 13,000 employees in five states.

The company has **six core values**, one of which (not surprisingly) is "Embrace change." The other five are:

- Value people.
- Delight customers.
- Do the right thing.
- Do things right.
- Have a passion for winning.

A seventh core value – like an 11th commandment – appears to be: Have fun. An attorney by trade (who started working at Wawa in 1970), Dick Wood delights in antics that keep employees loose – such as the time

he dressed in full pirate regalia for a company event. "It's humanization through humiliation, or through humor," he says.

A highlight for Dick Wood and 130 invited descendants of George Wood is the Saturday before Thanksgiving each year when everyone gathers for an annual meeting of the family trust that owns 66 percent of the privately held company. He takes pride in personally knowing all of his second and third cousins.

As the CEO of a large, multi-generation family business, **Dick Wood will describe Wawa's best practices, ranging from shareholder education to succession planning.** To his credit as a CEO and father, Dick Wood opened discussions with his own two children early – in their teens – about employment opportunities and expectations within the family business.

Wood also will talk about his own management succession plan. Dick plans to retire at the end of this year and will be succeeded by Howard Stoeckel, a non-family executive, who was named President this past January. There (pronounced Thayer) DuPont, 37, a nephew of Wood and son of former Delaware Gov. Pete DuPont, will then succeed Stoeckel as president.

Join us May 19 to learn how, for more than 200 years, an innovative, forward-thinking family surfed almost every wave of the Industrial Revolution and not only stayed afloat but thrived as a family and a business.

Vital Questions for Prospective Successors

- ◆ Am I listening to my own voice?
- ◆ What are my real interests and skills? Where might they best fit in or outside of the family business?
- ◆ What will working with my family be like? What are the benefits ... challenges?
- ◆ Have I looked fully at my motivations for choosing to work, or not to work, for the family business?

Need help finding your answers to these vital questions? Call Sally Derstine to learn more about our mentoring and assessment services or to **make arrangements to visit a Next-Generation Learning Lab group** meeting.

Questions above adapted from Katherine Grady's article, "Is the family business right for me?" (Family Business magazine, Spring 2000).

Scenes from Our March 31, 2004, Family Business Forum

Managing Intergenerational Dynamics

John Fast Ph.D.

Family Enterprise Solutions, Waterloo, Ontario, Canada



John Fast provided family members and key executives with increased self-awareness and new strategies for leading and managing different personalities, vital skills for decision making and conflict management. A highly interactive morning, the 130 participants grouped themselves into four personality types which led to insightful discussion!

New Forum Feature ... Rapid Roundtables!



Members could choose among four 15-minute Rapid Roundtables on topics of interest to family businesses.

(Left to right)
Mike Savage Jr., Robert Riethmiller and **Eric Riethmiller, Philadelphia Tramrail Company, Philadelphia.**



Guest **Earl Martin, PowerPro Equipment Company, New Holland.**



Edward Kuhn, Walter and Jason Hurleman, Adelphia Seafood, Reading.

Guests **Robert Heath Jr. and Robert Heath Sr., Heath's Service Inc.,**



Bill and Joshua Walker, Franklin Electric Company, Philadelphia.



Christine and Dick Walter, Walter Financial Inc., Buckingham.

Guests **Robert (left) and Paul Tramo (right), Sentinel Process Systems Inc., Hatboro,** with Forum Partner **Mario Vicari (center), Kreisler Miller.**



Welcome to NEW Forum Members!

Albright Family

Ai Control Systems Inc.

Reading, PA

Hurleman Family

Adelphia Seafood

Reading, PA

Wilkins Family

Delaware Valley Wholesale Florist Inc.

Sewell, NJ

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



1. **New Member Orientation.** An **individual** meeting with your family to clarify your objectives and introduce resources to help prepare your business family for another generation of success.



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

NEW!

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



5. **Estate Planning Fire Drill.** A quick, concise process designed to identify and resolve problems associated with your untimely death, culminating in a valuable written report (*Jon Samel & Chuck Creighton*).

6. **Financial Scorecard.** A complete diagnostic review of your firm's important financial and operational indicators (*Mario Vicari*).

NEW!

7. **Marketing Audit.** Solutions to your specific sales, distribution and marketing problems (*Pat and Peg Wash*).

8. **Philanthropy Review.** A review to determine if your legacy plan adequately reflects your values and desires (*Bill Hartman*).



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



10. **Get instant answers** to almost 100 family business topics through a Searchable On-Line Family Business Library housing hundreds of articles (*www.dvfbmbus.com*).

11. **Membership Directory,** which facilitates member-to-member interaction and learning about family business issues.

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 \$800. Limited to family firms; subject to review by our Membership Committee. **Membership is on an annual basis.**

Return This Form to Register for the May 19 Forum

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



Wednesday, May 19, 2004: Enduring Values & Best Practices at Wawa - Richard Wood Jr.

Name(s) _____

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

If paying by check, please make check payable to:

Delaware Valley Family Business Center, 1011 Cathill Road, Sellersville, PA 18960 USA

If paying by credit card, please complete the following:

Card Type: Visa MasterCard AmEx Discover Expiration Date: _____

Cardholder's Name: _____

Street Address: _____ Zip Code: _____

Card #: _____

Authorized Signature: _____

With my signature, I give Delaware Valley Family Business Center authorization to charge the above stated credit card for the amount indicated.

MEMBERS: Unable to Attend the March 31, 2004, Forum?

____ Please send me the audio tapes (set of 2) and handout booklet from the March Forum featuring John Fast Ph.D.: "Managing Intergenerational Dynamics." (\$20)

Total Registrations (less one FREE) _____ X \$75 = \$ _____

March 31, 2004, Audiotapes (set of 2) _____ X \$20 = \$ _____

6% Sales Tax for Audiotapes ONLY = \$ _____

\$3 shipping for Audiotapes ONLY = \$ _____

IF NEW MEMBER, \$800 = \$ _____

TOTAL = \$ _____

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.

Why You Need a Power of Attorney



Jonathan Samel
Hamburg, Rubin, Mullin,
Maxwell & Lupin

Jon Samel co-leads the **Estate Planning Fire Drill**, a highly valued Member benefit, along with Chuck Creighton, Key Advisors Group.

benefit, to keep the Principal's property separate from the Agent's property and to keep full and accurate records of all actions the Agent takes under the power.

In summary, a power of attorney is an extremely important estate planning document which should be carefully prepared, periodically reviewed and customized to meet your specific needs.

A power of attorney is one of the most commonly used and important estate planning documents. It authorizes an agent (the Agent) to manage the affairs of an incapacitated person (the Principal). If you do not create an appropriate power of attorney when you are competent, it is likely your family will have to go to court to have a guardian appointed for you if you are no longer able to manage your own affairs. Guardianship proceedings are expensive and time-consuming, and give you no control over who will be appointed as your guardian and what your guardian will be allowed to do.

A power of attorney is an extremely important estate planning document which should be reviewed and customized to meet your specific needs.

through lifetime gifting. By making gifts, an individual may significantly reduce the taxes due at his or her death, while transferring assets to his or her family at little or no tax cost during lifetime. Taxes can often be avoided by (i) using the credit exemption against gift taxes, (ii) the annual gift tax exclusion or (iii) the unlimited gift tax exclusion for payment of medical expenses and school tuition.

The gift tax credit exemption is \$1,000,000 and is

available during a person's entire lifetime. The annual gift tax exclusion is available for the first \$11,000 of any gifts made to any person for each calendar year. Payments of medical expenses and school tuition can be made for the benefit of any individual in an unlimited amount without gift tax consequences so long as the payments are made directly to the provider of the medical care or to the educational institution which that individual is attending.

Although it may be extremely beneficial for an individual to take advantage of one or more of these tax shelters, he or she will not be able to personally make any gifts if incapacitated. A power of attorney can authorize the Agent to complete such gifts on behalf of the Principal.

In order to protect the Principal from an Agent's possible misuse of a power, the power of attorney must clearly spell out the scope of the Agent's gifting authority. It is often important that such gift-giving provisions be customized based upon the Principal's objectives. If the gifting powers are not carefully drafted, then the opportunity to carry out significant estate and financial planning may be lost.

Because of longer life expectancies, there is a growing need to provide assistance to older individuals who can no longer handle their affairs themselves. In addition, however, a young person should also have a power of attorney because of the possibility of an unexpected illness or accident. While it is a good idea to have both a will and a power of attorney, in some ways a power of attorney is a more important legal planning tool than a will. A power of attorney can control what happens to you and the things you own during your lifetime. A will provides what happens to the things you own after your death.

Powers of attorney have become increasingly important as a method for paying the Principal's bills, collecting money owed to the Principal, administering bank accounts, handling investments, buying and selling property and otherwise dealing with the Principal's financial matters.

In addition, a power of attorney can allow the Agent to carry out the Principal's estate planning objectives

News & Notes from Our Director

Congratulations to two member firms!

- ◆ **Bergey's Inc.** on celebrating their company's 80th Anniversary this year!
- ◆ **Byers' Choice Inc.** who was ranked #4 among medium-sized companies for the 2003 Best Places to Work in Pennsylvania!

Mentoring ... If you would like to learn more about the Center's mentoring services after reading the President's Corner on p. 4, please give Henry Landes or me a call.

Another excellent resource is *The Family Business Mentoring Handbook* to be released in early May. Recently Henry was asked by *Family Business* magazine, as one of its contributing editors, to review a pre-publication copy of its nearly 200 pages of exceptional material. Included were many real-life examples of what it means to mentor and be mentored. We are recommending it for business leaders, as well as next-generation members of business families who want to tap into the power of mentoring for personal, professional and business development.



Sally Derstine
Forum Director

The Family Business Forum is underwritten in part by the generous support of our Partners.

Delaware Valley Family Business Forum Partners



Hamburg, Rubin, Mullin, Maxwell & Lupin is one of the premier area law firms with offices in Montgomery, Bucks and Lehigh Counties, serving the community for more than 30 years. We have helped hundreds of family businesses with succession planning. Our other areas of specialty include business law, estates, family law, real estate and environmental law, commercial litigation, personal injury, and employment law. For further information, contact **Jonathan Samel** at (215) 661-0400, or visit our website at www.hrmm.com.



The Quakertown National Bank is an independent community bank which provides a full range of banking services to business organizations and families. Founded in 1877, QNB has seven offices located in Bucks, Montgomery and Lehigh counties. Our vision is to help our clients achieve their goals by providing a financial relationship built upon exceptional personal service and a sincere interest in their success. For further information, contact **Bob Wieand** at (215) 538-5600, ext. 5611, or visit our website at www.qnb.com.



Menonite Foundation and MMA Trust Company are dedicated to helping families make a difference in the world by incorporating their values into their charitable giving and estate planning. We assist families with creative charitable giving and estate planning trust administration. Contact **Bill Hartman** at (800) 494-6622 or email him at bill.hartman@mmapartners.org.



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The Walsh Group is a team of marketing and creative consultants specializing in marketing plans, web design, logo design, graphics design, e-mail marketing, and web site promotion. Our goal is to make sure our customers benefit from the marketing investments they've made. Please contact **Pat Walsh** at (215) 491-3448 or learn more about us on the web at www.thewalshgroup.com.



Kreischer Miller is one of the largest regional certified public accounting and business advisory firms serving family-owned businesses in the Delaware Valley offering an array of value-added services for privately held businesses and their owners. We help clients in the areas of accounting and auditing, taxation, accounting systems, business valuation, and performance improvement. Our goal is to improve our clients' financial performance and the long-term value of their businesses. Contact **Mario Vicari** at (215) 441-4600 or mvicari@kmco.com. Visit us on the web at www.kmco.com.



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FORUM AFFILIATE

Family
Business
Magazine

The Weaver Family ... Preparing Weaver Companies Inc. for the Next Generation of Leadership

The Weaver Family, our "Family Business Highlight" at the March 31 Forum, is implementing many family business best practices. The Weavers' comments are summarized below:

What steps are you taking to prepare Weaver Companies for the next generation of leadership?

- ◆ **Monthly ownership meetings** to create and implement the Owners Plan; Henry Landes is serving as interim chair.
- ◆ **Monthly family meetings** facilitated by Henry Landes. The Weavers developed a Code of Conduct, a Family Learning Policy and a Crisis Plan. *"These meetings are teaching us a lot about communication. We discuss our goals, dreams, and struggles which is helping us avoid blindly forging ahead."* ~Ken
- ◆ **Monthly 2nd generation meetings.** The four Weaver brothers meet monthly to support their personal and professional development. *"We talk about tough issues and are pleased how our father has embraced this!"* ~Randy
- ◆ **Next-Generation Learning Labs.** Ken and Randy Weaver are both members of Next-Gen Learning Labs.
 - *"The Next-Generation Learning Labs have been a tremendous help to our family and business. Things we've never talked about before have come to the surface. When Ken joined a Next-Gen Lab in September 2002, his arc of learning soared!"* ~Melvin
 - *"The experience has far exceeded my expectations! This is not textbook learning, but hard-core business learning. I've formed deep relationships as I learn from peers. Two in the group have moved into president roles since I joined."* ~Ken
 - *"I appreciate the accountability and the interaction and different backgrounds of my peer group."* ~Randy

Weaver Companies Inc.

Owners: Melvin Weaver, Phares Zeiset, Lynn Burkholder
 Family Members Employed: Melvin Weaver and his four sons, Ken, Randy, Larry, Dale
 Founded: 1973
 Description: Residential and commercial construction, remodeling, roofing



(left to right) **Melvin Weaver**, Founder and President of Weaver Companies in Goodville, and sons **Ken** and **Randy**.

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

Mentoring: the Wind Beneath Our Wings



"We understand that we will all informally be mentors to our children, but we also value the outside influence of mature people with a different perspective. Each child will be encouraged to recognize mentors from outside the family, especially through their teenage years. We encourage each adult family member to maintain an outside mentor throughout the different stages of life."

As the Hollingers say, parents are the first mentors of their children. But our children also need other mentors, especially children in business families who often face unusual pressure, possibilities and privilege.

I like to think of mentoring relationships as both informal and formal. An informal mentor might be Uncle Joe or respected adults in your church or community who offer mentoring with a strong *personal* development flavor. Formal, work-related mentoring focuses more on *professional* growth, job

performance and leadership development. changing decisions.

I strongly encourage young adults who have grown up in a family business to test their wings in another field and/or another business for several years before working full time in the family business.

Mentoring can happen in those settings, not only in terms of business but in terms of how to be your own person.

So what kinds of mentors do young adults (older folks too) need? I would say a good mentor is someone who:

- **Is a faithful guide and "cheer-leader" with a profound sense of your total possibilities**, someone who feels there is no ceiling on your potential.
- **Cares enough about you to be committed to your success** – in or out of the family business.
- **Can and will challenge you** when you stumble, stick your foot in your mouth, or do something that goes against the grain of who you are (and are becoming).
- **Offers you a safe haven for being honest** about yourself, your family and the family business.
- **Understands the complexities of working in a family business**, walking alongside you in making difficult and life-

Sometimes the trickiest dynamics are adult children working with their father or mother. The parents may have the most knowledge about the company, but almost inevitably there are multiple layers of emotional involvements (on both sides of the generational fence) that can complicate the relationship, especially as the time approaches for the baton to be passed.

Business-related mentoring is best balanced by a combination of internal and external mentors. For instance, in the 1990s third-generation successor-in-development Tripp Davis was being groomed for the presidency and ownership of L.D. Davis Industries. Over a period of 10 years he actively sought internal mentoring from Davis company managers and, in the two years prior to his assuming the presidency in 2000, he asked me to serve as his external mentor. Tripp Davis tells his story in "Mentored by My Managers," *Family Business* magazine, Spring 2000.

Mentoring can range from task-oriented assistance by managers to help you be more effective in your work to an almost sacred relationship that encompasses all of who you are.

As any ol' goose knows, the sky's the limit when good mentors are providing air under our wings.

When flocks of Canada geese fly, they use the famous V-shape. Many naturalists believe this is a learned behavior because air currents created by the birds in front make flying easier for the rest of the flock. You'll note that the Wawa story on page 1 also uses the goose metaphor ...

In this President's Corner *my* theme is mentoring. I call it the wind beneath our wings. Mentors can give people in business (especially young people) a tremendous "lift." Like the leading bird in the V formation, a trusted mentor shows the way.

Recently one of my clients – the Hollinger family of Four Seasons Produce, Denver, Pa. – adopted a Family Learning Policy, which includes a statement on mentoring.



Wednesday, May 19

7:30 - 11:30 a.m.

Blue Bell Country Club, Blue Bell, PA

Enduring Values and Best Practices at Wawa: the Wind Beneath Our Wings

Richard Wood Jr., Wawa Corporate Headquarters, Wawa, PA

Wednesday, September 15

7:30 - 11:30 a.m., Location TBA

When the Entrepreneur Invites "Dad" Into the Business

Rod Lefever, Founder of OneMain.com

Allon Lefever, Director, MBA Program, Eastern Mennonite University
 Harrisonburg, VA



Wednesday, November 17

Special Dinner Meeting, Byers' Choice, Chalfont, PA

Building the Legacy at Byers' Choice and Leidy's Inc.

Tom and Terry Leidy, Leidy's Inc., Souderton, PA

Bob Byers Jr. and Jeff Byers, Byers' Choice, Chalfont, PA



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Helping Your Business Family Thrive

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