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Members' Benefits

The Northeastern University Center for Family Business offers a select group of family-owned businesses these membership benefits:

- Participation in Full-Day Workshops and Executive Breakfast Case Conferences.
- Constituent Forum Participation.
- Subscription to Family Business Quarterly.
- Discounted tuition for NU's "The Management Update" Seminar Series.
- Invitations to College of Business CEO Breakfast Forums.
- Access to student interns.
- Networking opportunities.
- A family business bibliography and access to NU's libraries.
- Participation in research.
- Opportunity to link your Web site to the Center's.

Northeastern's Center for Family Business

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Family Business Quarterly

Volume 10, No. 3

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NUCFB Celebrates 10th Anniversary

Emerging
Issues

Decade of Change and Challenge for Family Business

It's been an exciting decade. Dramatic changes on every front—from political and social to economic and technologic—have been met and mastered by the life's blood of the American economy, the family-owned business.

As the seeds of the Northeastern University Center for Family Business were being sown in the early 1990s, we were still conducting business much the same as the previous generation of family business owners. We took phone messages on paper, relied on what we now call "snail mail," and held face-to-face business meetings. But a brave, new "connected" world of business was approaching, and we anticipated the need to adapt quickly. To meet the challenges the last decade of the Century would hold, a core group of forward-thinkers formed an educational haven designed just for family business owners. To meet the needs of this special breed of business, the Northeastern University Center for Family Business was created—the first of its kind in New England, one of only six in the U.S. and one of less than a dozen worldwide.

As the World Wide Web made its debut in 1992, the NUCFB hosted the nation's first Center for Family Business Educator's Conference for academics, researchers and administrators serving the field. Its innovative Executive Breakfast Case Conferences and half-day Workshops were met with enthusiasm and high praise from its growing ranks of members and sponsors. Internationally recognized experts in family business issues,

including scholars and practitioners in the fields of human resources and psychology, law, accounting, finance, investment, insurance, marketing and international issues, addressed groups of members and sponsors.

In the mid-1990s, as the world grew increasingly "wired" with the proliferation of cell phones, emerging dot-com businesses, cyber-dating services, 24/7 cable television and online news media, the NUCFB kept pace with the times. In 1995, Northeastern was the first family business center to develop its own home page on the World Wide Web. In the same year, it co-conducted a national research project that explored topics of interest, conflict and issues of race and ethnicity within the family business sector. By this time the Center's special Constituent Forums were also going strong, and distribution of its quarterly newsletter reached more than 10,000 readers. The Constituent Forums, confidential groups of 10-15 family business members, meeting bi-monthly to discuss matters of business and personal interest, continues at the heart of all Center programs.

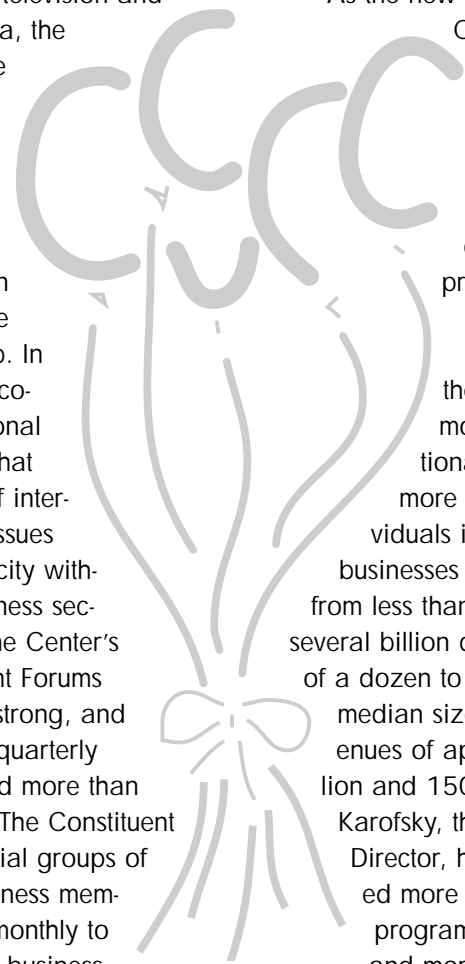
In the waning years of the decade, the Dow Jones industrial average broke the 10,000 barrier and the economy was thriving as never before. Nearly 35% of Fortune 500 companies are family firms and family businesses account for 78% of all

new jobs. In 1998, the Center reformatted its Leadership Development Forums with the Gamma Forum focused on the enhancement of skill development for emerging leaders and the Delta Forum focused on governance and management in family owned enterprises. In September, 2000 the Center launched the Intergenerational Forum.

As the new millennium dawns, the Center has assisted hundreds of family businesses in New England meet the ongoing challenges the business climate of the 21st Century presents.

Since its inception, the Center has presented more than 200 educational programs reaching more than a thousand individuals in hundreds of family businesses ranging in revenues from less than one million dollars to several billion dollars and from a staff of a dozen to several thousand. The median size enterprise has revenues of approximately \$35 million and 150 employees. Paul Karofsky, the Center's Executive Director, has personally presented more than 50 educational programs in dozens of cities and more than a dozen countries around the world, reaching thousands of additional individuals and family businesses from diverse cultures.

As the 10th Anniversary of the Center is celebrated during the next twelve months, the Center will continually be monitoring the needs of members to create and offer only the best educational programs, specifically designed for the family-owned business.



Center is Valuable Resource for Family Business

The Decade in Review

- 1991 Northeastern University Center for Family Business founded.** CNN dominates news coverage worldwide during Gulf War. Median household income: \$29,943. Minimum wage: \$3.80. Price of gasoline: \$1.08 per gallon.
- 1992 The Center hosts the nation's first Family Business Educator's Conference.** The World Wide Web is born.
- 1993 NUCFB debuts Constituent Forums.** 1 in 3 Americans does some work at home instead of driving to work. Schindler's List wins Oscar for best picture.
- 1994 The Center receives a Programming Award from the National University Continuing Education Association.**
- 1995 NUCFB develops first family business center Web site. Executive Director Paul Karofsky is named an outstanding faculty resource by the Young President's Organization.** 99% of households own televisions, 74% have cable. O. J. Simpson "trial of the Century" captures the nation's attention.
- 1996 The Center becomes part of the College of Business Administration. NUCFB hosts its 100th membership event.** The Yankees win the World Series.
- 1997 Constituent Forums repositioned at the heart of the Center.** Tiger Woods named Male Athlete of the Year by the Associated Press. "Dolly" is first cloned mammal.
- 1998 The Center supports a HUD grant to develop minority owned family businesses in Boston.** Family businesses account for 78% of all new U.S. jobs.
- 1999 The Center presents its 200th educational program.** Historic impeachment trial of President Clinton held. The world braces for the millennium bug. World population reaches 6 billion. Median household income: \$40,816.
- 2000 NUCFB Intergenerational Forum is launched. First educational program of the Center's second decade held at Jordan's Furniture, Natick, with presenters Barry and Eliot Tattleman. 10th Anniversary Gala celebration held.**

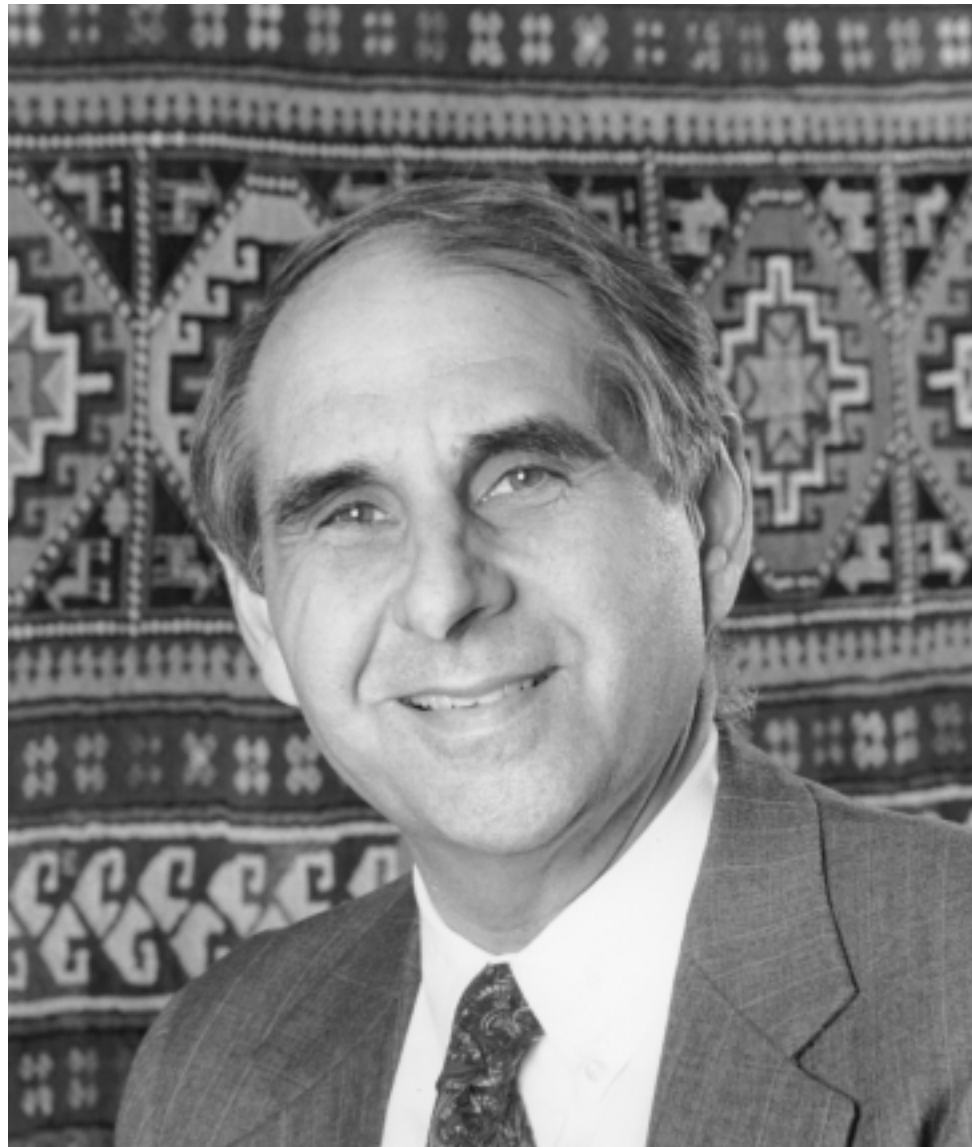
It's said that timing in life is everything. If this adage is true, then it was perfect timing when John B. Gregorian heard about the newly-launched Northeastern University Center for Family Business from a business associate and subsequently placed a call to Executive Director Paul Karofsky.

"It was a time when I was involved in working on a transition in the family business," recalls John. "I remember speaking to Paul and quickly realized that the Center would be a valuable resource for me during that time."

Back in the early '90s, John's well-established Newton Lower Falls-based family enterprise, Arthur T. Gregorian, Inc., was moving through the complex and time consuming process of transferring company leadership and putting other plans for succession in place. Although John and his father Arthur, the company founder, had been anticipating eventual shifts within the business for more than 20 years, when it came to actually putting a plan in place, they remained stalled.

John says that his association with the Center, especially his participation in the Seniors' Forum for the past decade, has given him the access to differing points of view that have helped gel his thinking about his own situation. John says, "Working within a family business can be lonely at times. It's important to connect with others who are going down the same river. I found that sharing stories, decisions, concerns, frustrations and triumphs with other family business owners to be enlightening and gratifying." As a third generation prepares to eventually take over the reins of the family business, John's son Scott is now finding support, education and camaraderie from his peers through his involvement in the Leadership Development Forum.

When speaking about his involvement with the Seniors' Forum, John is quick to praise Paul Karofsky for his skill as a facilitator and mentor for the group. "Paul has an uncanny ability to



John B. Gregorian

bring out the issues that are most critical to a family business. His own perspective as a former family business owner comes into play during these sessions. And he is just as effective with the younger generations coming into the business as those of us who have been around for years," notes John. He urges others to join the Center, as he feels that "the Center offers top-flight resources and information for anyone involved with managing and growing a family business."

Today, as president and CEO of one of the most highly-respected and recognized Oriental rug establishments in the country, John's involvement with his family business continues to grow. He is constantly "on the road," continuing the tradition of serving as a

center for education on the art and culture of Oriental rugs, through his seminar lectures. John also sponsors a traveling exhibit—The Gregorian Family Collection of antique Oriental rugs—of more than 120 rare examples of rug weavers art from the 18th through 20th Century. A published author, his new book, *Oriental Rugs of the Silk Route*, is a popular selection at bookstores nationwide.



NUFCB Member Web Site is Honored

Prestigious *Advertising Age* magazine recently recognized the Web site of the Cole Hersee Co. as one of the top 200 B2B (business-to-business) sites on the World Wide Web, and was ranked first in its industry. According to the publication, "...Cole Hersee Co. in July unveiled a new iteration of its Web site, one that states, in plain English, what the company has to offer customers looking for the perfect solenoid or switch...The judges were impressed by the friendly tone of the site...nothing is more gratifying to a Web user than navigating through a site that is easy to read, finding the company's contact information upfront and being clearly lead through the search process..." Cole Hersee's president, NUCFB member Robert Mayer should be very proud of this accomplishment. The Center congratulates the Mayer family on receiving this honor. The Cole Hersee Co. is a leading manufacturer of electronic and electrical switches and connectors and has designed dependable products for a broad range of vehicles since 1924. Log onto www.colehersee.com to visit this award-winning site. To read what the reporters of *Advertising Age* have to say, log onto <http://www.netb2b.com/netMarketing200/2000/articles/auto.html>



NUCFB Welcomes Three New Corporate Sponsors

The Northeastern University Center for Family Business is pleased to announce the addition of three new sponsors: the accounting firm of Forman, Itzkowitz, Berenson & LaGreca, P.C., BKR International Mergers & Acquisitions



Burt Bartzoff

Group, LLC (BKR/M&A) and Northwestern Mutual Financial Network. These organizations participate in all Core Programs of the Center and help subsidize the membership cost of programs. The Center is fortunate to have the professional expertise, thoughtful counsel and financial support of these fine organizations and looks forward to a rewarding association with them. These new corporate sponsors join the law firm of Goulston & Storrs, P.C., and financial services provider State Street Global Advisors and Citizens Bank as a most valuable resource for members of the Center.

Forman, Itzkowitz, Berenson & LaGreca has been building long-term relationships with clients, their businesses and their families for over 60 years. In addition to traditional accounting and tax preparation services, they provide a full range of financial services and consulting designed



Peter Berenson



David Feldman

to minimize taxes and maximize wealth in accordance with each client's goals and objectives. The firm's medium size enables them to offer clients the best of both worlds—technical expertise and close personal attention. Peter Berenson, CPA, has more than 30 years experience in counseling closely-held and family businesses. Carl LaGreca, CPA, MST, has been an estate and income tax consultant to closely-held and family businesses for more than 20 years.



Morton L. Hodin

BKR/M&A represents owners in the emotional, time-consuming and technically complex process of the sale or financial re-capitalization of their business. Whether an owner's motivating factors is retirement, succession concerns, diversification of assets, expansion capital, or access to larger markets, BKR/M&A optimizes the owner's benefits in the trade-offs of liquidity, control, succession and taxes. As Investment Bankers specializing in privately held business, BKR/M&A also provides services in corporate finance, and, with assistance from its 42 members worldwide, strategic partnering and joint ventures. Managing Director Burt Bartzoff has more than 35 years of business management and consulting experience in the areas of strategic

planning, management and personnel systems, as well as international business planning. Managing Director Morton L. Hodin has more than 30 years of entrepreneurial experience in the Boston business community in technology, publishing, marketing, real estate and investment banking. He has managed the sale of three of his own successful companies and dozens for others. His knowledge of "both sides of the table" brings a seasoned perspective to owners addressing sale or succession issues.

Northwestern Mutual, established in 1857, manages \$86 billion in assets, receives the highest ratings possible from all four major rating services, and has been recognized by FOR-TUNE as "Most Admired" Corporation 1983-2000. The Northwestern Mutual Financial Network is dedicated to providing expert guidance and innovative solutions to help clients identify and meet their financial goals. Its network of experienced Representatives and financial specialists have exclusive access to the Northwestern Mutual's wide array of products and services. Company principals David J. Feldman, CLU, ChFC, Sy Marcus, CLU, ChFC, and Carrie Seligman, JD, LL.M., have 60 years of combined experience working with family businesses. David Feldman, who has been with Northwestern Mutual for 32 years, is a financial services generalist with an emphasis in family business estate planning and charitable giving plans. Sy Marcus, a financial counselor to individuals and business owners for the past 25 years, specializes in the areas of life insur-



Carrie Seligman

ance planning, investment planning and business planning. Tax attorney and former small business owner Carrie Seligman counsels small businesses in the areas of succession planning, buy-sell plans, owner exit strategies, executive benefits and estate planning.

People are Talking

“I cannot express the value I personally have received since being a member of the Northeastern University Center for Family Business. Attending the Seniors' Forum has been especially rewarding. One of the most important and difficult business issues I faced was letting go of control. The members not only helped me relinquish control, but also made me feel good about it. This has been great for my children, who now run the business. As a Center member, I also realize that I am not alone and that others share the same concerns. The wonderful relationships I've made within the Center have taught me so much.”

Roz Holt
GroupComm Systems
Waltham, Mass.

“As a new member, it is a relief to see we are not unique with our problems. There is an emotional and psychological catharsis in collaborating with other family business owners. The half-day seminars are not only entertaining but extremely thought provoking and right on target with family business issues. The Center has opened up many roads I had thought to be dead ends—and we've only just begun!”

Tom Piantedosi
Piantedosi Baking Company
Malden, Mass.

“The Center has been a great way for me to connect with family issues. Hearing other families talk brings my own issues closer to home and puts my situation into perspective. You do a great job of putting together good, relevant and fun programs. I enjoy being part of the Center's own family.”

Helen Powell
Cave Spring Farm
Lexington, Kentucky

“Although I have learned quite a lot from my involvement with the NUCFB, I value meeting with and learning from other Center members the most. There are many intelligent, first-class people involved with the Center.”

Steve Foley
Foley Food Service
Norwood, Mass.

Save These Dates

December 5, 2000

Executive Breakfast
7:30 am-10:30 am
Survival of the Fittest:
Case Study on Succession

March 27, 2001

Half or Full Day Forum
8:30 am-12:30 pm or 4:30 pm
Communication Workshop

May 1, 2001

Executive Breakfast
8 am-10:30 am
Breakfast with the Pros: Lessons from the Trenches

June 5, 2001

Half Day Forum
8:30 am-1:30 pm
Recruiting and Retaining Key People in the New Economy

For Paul Karofsky, Family Matters An Interview With NUCFB Executive Director

Since its inception, Paul Karofsky has been a driving force behind the Northeastern Center for Family Business. He is known by members and sponsors alike as a trusted family business mentor, counselor, advisor and colleague. In his role at the Center, Paul has truly championed the family business for the past decade. His extensive experience as an integral member of a family business, in combination with his interests and educational background, contribute to his unique perspective that has helped propel the NUCFB to the forefront of family business centers nationwide. In this interview, Paul recalls the early days of the Center's development and shares insights about issues facing today's family businesses as well as future plans for the Center.



FBQ: Tell us about the origins of the Center.

PK: In 1991, Northeastern alumnus Joe Blum, along with family business consultants Richard Narva and Tom Davidow approached Chris Cassidy, the Director of the Center for Continuing Education, about the possible creation of a family business education program. There were approximately five other such programs around the country. Joe, from his perspective in the insurance and financial service field, and Tom and Richard as psychologist and attorney respectively, turned family business consultants saw a need and an opportunity. Chris, with the support of Ray Williams, then Executive Director of Continuing Education, scoped out the proposed Center and endorsed its creation.

FBQ: How did you get involved?

PK: I had recently completed graduate studies focused on the psycho-social life of families and, with a background of twenty plus years in my own family business, was exploring options in the field of family business education with colleges in the greater Boston area. I met with Chris as the design of the Center was being developed and he asked me if I would come aboard as a consultant to help with the launch.

FBQ: What was your prior career background?

PK: After my first pass at graduate school in philosophy, I had the pleasure of joining my dad, my mother, her brother, their cousin, my grandmother and her second husband in the wallcovering business my grandmother founded with her first husband. My uncle ran the retail end of the business and my dad focused on wholesale distribution. Over time, as my dad and I worked together, the businesses were separated.

FBQ: What happened to your business?

PK: In the mid-eighties, vertical integration accelerated in the wallcovering industry. Manufacturers were buying wholesalers or wholesalers were becoming manufacturers. We made a couple of attempts at acquiring manufacturing facilities, but the amount of capital required was more than we wanted to put at risk. Meanwhile, I had always had a passion for education, which had been my avocation ever since college. Since I had already acquired the ownership of the company, harvesting the business was the right option for me at that time.

FBQ: Tell us about the early times at the Center.

PK: The Center's first event was in the fall of 1991. Most of my early energy was focused on building membership. We knew that if we had a good core of business-owning families at the heart of the Center, others would follow. Our earliest members were among the highest profile family businesses in the community. The initial goal was to have 30 members by the end of our first academic year. We reached that in three months and by the end of the first academic year our membership was at 53.

FBQ: What was the model for the Center?

PK: Kennesaw State University in Kennesaw, Georgia, under the leadership of Dr. Craig Aronoff (and now Dr. Joe Astrachan as well) developed a model that we replicated. Though we have since made significant modifications, we are proud and grateful for Craig and Joe's support, guidance and encouragement, just as we are for that of our founders and so many other colleagues in the field.

FBQ: What makes the Center so special?

PK: At the heart of our programs are what we call Constituent Forums. These are peer groups that meet together every other month to address their own specific issues and concerns. We have a Leadership Development Forum for members of the younger generation, a Seniors' Forum and a newly formed Intergenerational Forum. Members set their own dates and agendas. Participation is very active and people address issues of substance in depth in a safe setting with a bond of confidentiality.

FBQ: What about your Core Programs?

PK: Six Core Programs (three in the fall and three in the spring) complement the Forums and are open to the entire family and key non-family managers as well.

FBQ: What about non-family members? Do they get involved?

PK: Increasingly, yes! More and more, family businesses are realizing that addressing the issues about family business and career and professional development is not solely in the domain of family members. Other key members of the business have learning needs as well and members realize that's a role we can play for the entire organization.

FBQ: Why are the issues for family businesses so hot?

PK: There are many issues that family businesses must deal with, but at the heart of them lies a basic incompatibility. Family members grow up with one value system that takes a 180 degree turn when you open the company door. In families, we're valued for who we are. In businesses we're valued for what we do and how well we do it. This basic dilemma lies at the crux of so many family business dilemmas.

FBQ: How is the Center funded?

PK: We are fortunate to have the intellectual and financial support of six fine organizations. The law firm of Goulston & Storrs, P.C. and State Street Global Advisors have been with us since our inception, plus Citizens Bank, the accounting firm of Forman, Itzkowitz, Berenson & LaGreca, P.C., BKR International Mergers & Acquisitions Group,

LLC, and Northwestern Mutual Financial Network. These organizations participate in all our Core Programs and help subsidize the membership cost of our programs.

FBQ: Are family business members concerned that they will be bombarded with solicitations from these firms?

PK: Absolutely not. We have a clear understanding of non-solicitation that sponsors readily support. They won't hand out a business card unless it's asked for. They seek to build long term relationships and broaden their own base of knowledge as well.

FBQ: What else is happening at the Center? What does the future look like for Northeastern University's Center for Family Business?

PK: In this our 10th year, membership continues with controlled growth. We seek families that value life-long learning, that want to be involved and will participate actively. Our programs are designed in response to members' needs. Last year, for example, after a highly successful communications workshop, members asked for 'more.' So this year, we're offering a half-day and full day optional program to complement it. Likewise, the concern I hear most often is around the recruitment and retention of good people, so we'll have a program on that as well.

Internally, we continue to strengthen our ties with others in the College of Business Administration. We're exploring partnership programs with other organizations, similar to ones we presented in Argentina and Uruguay last fall, and the one that continues with Boston's inner-city family businesses. Our research efforts are on-going and just as e-commerce is here to stay, so is e-based education. We're looking into options for that as well.

On the development side, we're building a Case Statement that will articulate our goals and needs and we'll be seeking donor support. With ninety percent of all businesses owned and managed by multiple family members, the need for educational services remains great and our commitment remains intense.

About Our Sponsors

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A leading New England law firm with more than 100 attorneys in its Boston office, Goulston & Storrs provides sophisticated legal representation in virtually all areas of the law to a broad range of local, national, and international clients. The firm has almost a century of experience in advising family and closely-held businesses and their owners. Jeffrey S. Wolfson is available at (617) 482-1776.

State Street Global Advisors—a subsidiary of State Street Bank and Trust

As one of the nation's strongest providers of financial services, State Street Global Advisors has furnished its customers with financial counsel and investment advice for nearly 200 years. State Street, through its full range of banking and investment services, continues to meet the needs of New England family businesses. Peter Talbot is available at (617) 664-3227.

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Citizens Bank is New England's second largest banking institution with a full array of commercial and consumer banking products and services. Our Corporate

Banking Group is especially focused on serving New England's privately-held family businesses, their owners and their employees. For assistance with your banking needs, Lisa Curley is available at (617) 725-5667.

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to traditional accounting and tax preparation services, we provide a full range of financial services and consulting designed to minimize taxes and maximize wealth in accordance with each client's goals and objectives. Our medium size enables us to offer clients the best of both worlds—technical expertise and close personal attention. Peter Berenson and Carl LaGreca are available at 617-964-2800.

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For More Information—Call (781) 320-8015; <http://www.cba.neu.edu/fambiz/> – e-mail: pkarofsky@lynx.neu.edu

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