

Tools for Success

A resource for business owners who are Thinking Forward.

A woman with short grey hair, wearing a vibrant red long-sleeved dress and nude high-heeled sandals, is sitting on a piece of gym equipment. She is looking towards the camera with a slight smile. The background is dark and filled with various gym machines and weights, creating a professional and strong atmosphere.

**Characteristics of
Successful Family
Businesses**

BRANDING THE FAMILY NAME

**BETH RICHARDSON
STANDS STRONG TO
LEAD MADISON**

Progress Looks Like

Making
Memories
In Your New
Home



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Long known as a backbone of the American economy, generational businesses are near and dear to us at Progress Bank. There's something special about these companies that have survived multiple generations and are still going strong. We created this issue entirely around this focus and had the distinct pleasure of talking to business owners throughout our markets who are in their second and even third generation. Their stories are inspiring, full of stories, memories and wisdom garnered through many years of long hours and hard work. I think you will enjoy reading them as much as I did.

If you are a business owner who created your company from scratch, it may be hard to let it go when it's time to retire. In our Feature article, we tackle some of the toughest questions you may have, from when it's time to create a succession plan to ways you can structure the handover so it's financially in everyone's best interests. But what happens when you don't have a relative who wants the business, even though you may be ready to retire? "When It's Time To Sell" addresses next steps to take in this situation.

Then there's the question of whether or not you should brand your family name. Our Marketing article will help you decide if you should leverage that important part of your business.

We'd also like to announce that we are opening our first office in Tuscaloosa, led by Market President Brad Hayes. We are excited to have a T-town native on board with us who knows the city well.

But that's not all—this issue is full of our regular features as well, from Human Resources to Technology. Grab a cup of coffee, go outside to bask in the cooler temperatures and enjoy reading *Tools for Success*.

We wish you continued good health and remember to always Think Forward.



Sincerely,

David Nast
President & CEO
Progress Bank

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GIFTING FAIRHOPE WITH LOVE:

Fairhope Pharmacy & Christmas 'Round the Corner



Photography courtesy of LouAnn Harrell

By Ann Marie Harvey

Fairhope Pharmacy has been a staple in this iconic Eastern Shore town for more than a century, its founding dating to around 1900. In the spring of 1959, ownership passed to Ben and Betty Barnhill. For 62 years, the business has remained in the family and daughter LouAnn Harrell has every intention of continuing the tradition as long as she can. "My son asked me recently if I would ever consider selling the stores and I immediately burst into tears," she says. "I love it so much and there is too much at stake to walk away. I have a community to serve."

BALDWIN COUNTY ROOTS

Ben and Betty had only been married a few years

FAIRHOPE, ALABAMA

when they moved to Ben's native Baldwin County. "Dad had been a pharmacist in Mobile, so he came to work at the pharmacy in Fairhope and bought it from the owner shortly after," LouAnn says. "It's no joke that I was raised right here in the store, so my heart is truly in this place."

From the time she was a small child, LouAnn manned the cash register, counted change and was mothered by the women on staff. "I walked here after school during my elementary years," she says. "I have such fond memories of the fun I had as a little girl in this space."

Although a social worker by trade, Betty stayed by Ben's side and assisted him in the pharmacy, eventually adding her own taste and style to the

business. "In the late 1980s, my mom and I started the gift shop," LouAnn says. "We had a little corner at first, but over time we pushed back under Daddy's nose, growing it to more than half the store."

If you're in the market for gifts, decorative pillows, home accessories, gourmet food items, cards, clothing or just need to pick up a prescription, Fairhope Pharmacy is a one-stop shop. "I sell everything from coastal artwork to Christian books and pet accessories," LouAnn says. "I can be anywhere in the store from the cash register to taking care of the books in the office."

CHRISTMAS ALL THE TIME

Betty was not satisfied with just a gift store, however. A visit to Germany in the 1970s instilled in her a love of the little Christmas shops, something she knew she wanted to establish at home. Until her dream came to fruition in 1995, Betty satisfied her desire with a small corner of the drugstore. Finally Christmas 'Round the Corner opened—you guessed it—around the corner from the pharmacy. Quickly outgrowing its small space, Betty moved the store to a bigger location on the pharmacy's other side.

At last count, there are between 21 and 23 trees in the store, each themed with an array of ornaments. "Of course our Fairhope tree is really popular, as well as our food tree with everything from butter to baguettes," LouAnn says. "Visitors to the area always want an a memento from their trip, so our sales are good year round." From coastal ornaments to birds, LouAnn is always surprised which tree ends up being the hottest one for the season. "Our busiest time is from mid-October through Christmas Eve," she says.

IT TAKES A TEAM

Although LouAnn moved away to Texas for more than 25 years, she spent a lot of time going back and forth, helping her mom at the Atlanta Gift Mart twice each year and assisting with decorations and displays. "When it became necessary for me to be here full-time five years ago, I did what I had to do," she says. "Growing up in the store gave me a retail education all along."

With a staff of about 20, including three pharmacists, LouAnn has a wonderful group of employees to help her. "We have had very little turnover and I am blessed to have the people I do," she says. "We all get along so well."

As an essential business, the pharmacy remained open in 2020, while the gift shop and Christmas store were both closed. What quickly changed was the amount of deliveries requested. "We have always delivered Monday-Friday, but that grew exponentially and continues to grow," she says. "It's part of our customer service to help our patients and why we continue to get new customers every day."

Just as her daddy emphasized, it's important to LouAnn that people can talk to a living person on the phone and the pharmacy retains its hometown feel. "To me, a community pharmacy is more of a ministry than anything else," she explains. "We do things that the chains just don't do."

A dreamer like her mom, LouAnn is already thinking ahead about her next steps, including a kitchen shop she hopes to open in the near future. Having a partner like Progress Bank makes those dreams a bit closer to reality. Recently she was faced with needing a new roof on the pharmacy and had a hard time getting a loan from her bank. After six months of frustrations, LouAnn was put in touch with Greg Walker at Progress. Within two weeks she had secured the loan for a new roof and repairs were completed between two hurricanes.

Although Ben passed away four years ago, Betty recently turned 91 and is content to let LouAnn manage the businesses. "My dad was the quintessential pillar of downtown," she reflects. "There are several generational businesses left in Fairhope and we are proud to be one of them."



Ann Marie Harvey is Vice President of Communications at Vertical Solutions Media. She specializes in creating dynamic copy that is both genuine and compelling. Editing the written word is her passion.



Photograph courtesy of Mary Melissa Smith

Bloom Where You Grow:

Reseda Nursery/Encore Landscapes



Photograph by Ann Marie Harvey

By Ann Marie Harvey

MADISON, ALABAMA

While growing up in Hurtsboro, Ala., it was a given that Joey Smith was going to be a peanut farmer—but he wanted to do it on his own, without financial help of family. But as his degree in Agriculture Economics from Auburn University proved, he couldn't come up with a way for it to be profitable. "I drew up a farm plan and wrote down all the risks," he explains. "Interest rates were extremely high in the early 1980s, so I couldn't make it work with all the equipment I needed to buy."

SETTING DOWN ROOTS

After a four-year stint working in Texas, Joey and his

wife Mary Melissa returned to Alabama, this time settling further north in Madison. With family support, they opened Reseda Nursery in November 1985 on 30 acres with four greenhouses as a wholesale plant nursery and grower. As time went by, they added greenhouses and three delivery trucks to deliver their plants to wholesale businesses from Nashville to Atlanta, Birmingham to Montgomery. By 1989, their visible location on the highway had people asking to buy retail. "When we started, our business consisted of 90 percent commercial accounts and 10 percent retail," Joey says. "That number has flip-flopped completely as North Alabama, Huntsville and the

region have grown.”

As the business has evolved, so have the crops. Where Reseda Nursery once grew and sold mostly vegetable plants, they have now moved to annuals, perennials, ornamentals, ground covers, hanging baskets and trees. For the first time in a decade, the nursery will sell Christmas trees and wreaths this season. “We start growing our fall crops in early summer so they are ready,” he says. “Nothing gets shipped in—it is all grown on-site, so we care for it until it’s ready to come to your yard.”

NEW GROWTH BEGINS

Although she has always taken care of the books, Mary Melissa has been full-time for the last six years. She helps out in the greenhouses when it’s busy or mans the cash register when needed. The biggest addition to the team, however, has been the couple’s son Nathan, who joined them as Retail Sales Manager. “Nathan has been a tremendous help. It has been a real asset to have someone in the family that is interested in the business,” she says. “We have enjoyed watching him mature over the years and learn a lot from his dad about the business.”

Nathan recalls being at the nursery from the time he was small. “I loaded customers’ cars and got paid \$5 a day,” he laughs. “Dad taught me to work hard to earn a living.” Along the way, Nathan developed a passion for landscaping and in 2017, he opened his own business, Encore Landscapes. “We do custom installations, hardscapes, patios, outdoor kitchens and fireplaces,” he says. “We have five employees on our landscaping crew staff.” In addition, he started his own topsoil business in order to get the quality of dirt he needed.

As Joey and Mary Melissa start thinking about slowing down, they are formulating a plan with their attorney and CPA so that when they are ready, they will hand the reins to Nathan. “We still want to be part of the business after we retire, but more on a part-time basis,” Joey says.

DEALING WITH THE WEEDS

The pandemic has brought its own unique set of

challenges to the business, from hiring knowledgeable employees to keeping up with demand. “Our busiest year ever was 2020,” Mary Melissa says. “Everyone decided it was time to plant a garden or work in their yard.” While some of their commercial accounts cancelled orders, their retail business thrived during that time. “We thank our community for buying inventory our commercial customers couldn’t take,” Mary Melissa says. “After doing things a certain way for 35 years, we had to change the way we did business overnight.”

By offering curbside pick-up through e-mail orders to make the process as easy as possible, the Smith Family says they had never worked harder. “Last year taught us a lot, particularly that we need to slow down after working a lot of 100-hour weeks,” Joey says. “We did what was necessary in order to survive.” Like many other industries, the nursery business has also seen an increase in expenses, from the price of pots and trays to the greenhouse roof coverings. Madison Market President Beth Richardson made things easier during that time. “The bank has been wonderful and Beth is there to answer any questions for me,” Mary Melissa says. “We got our PPP loan quickly and efficiently.”

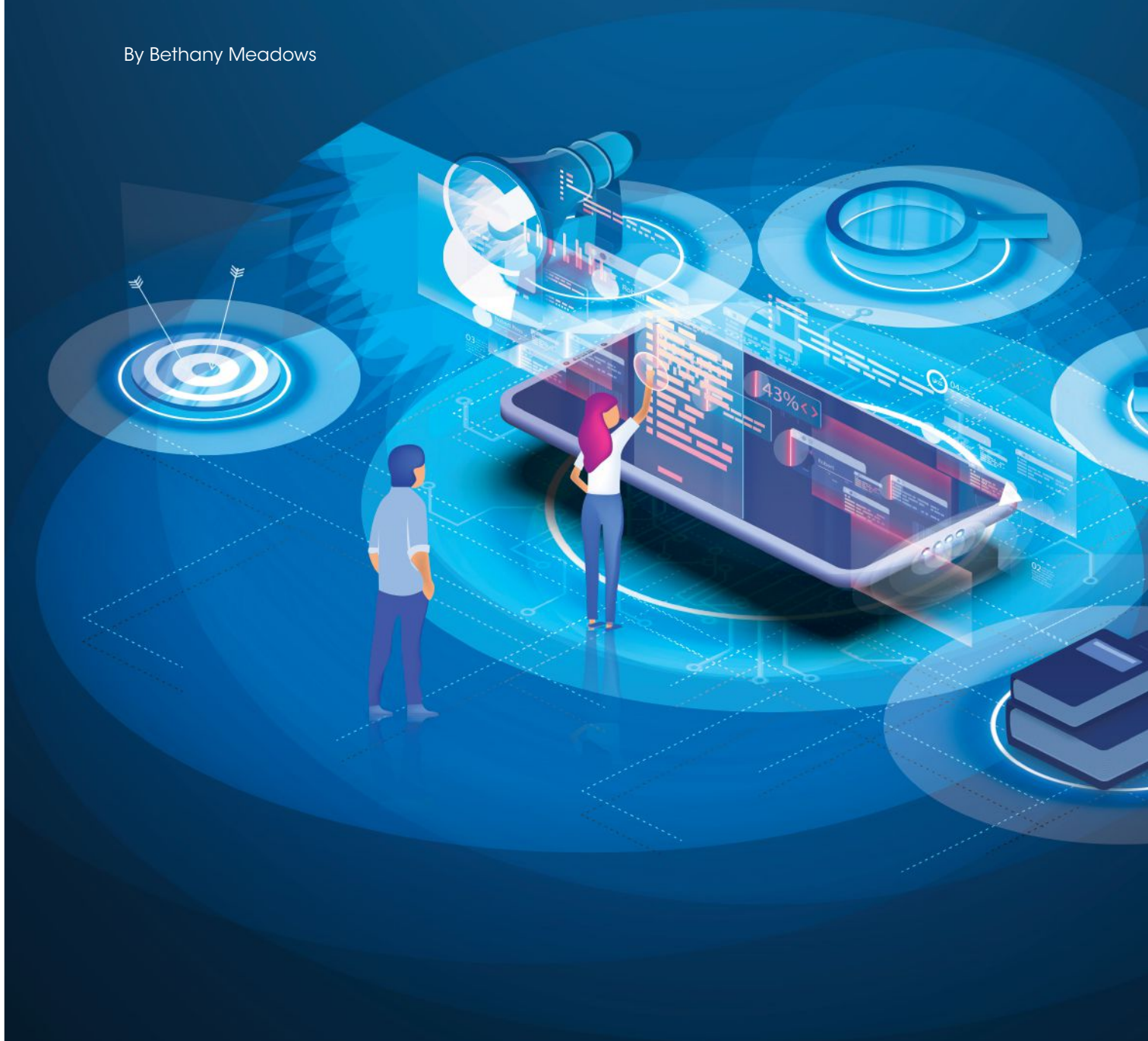
As the family looks ahead, Nathan has his eye on hiring additional employees. “My dad has been fortunate to have several long-time, dedicated employees, one even 30+ years,” he says. “We want to continue to hire those kind of people so we are able to expand, add more greenhouses and different plant varieties.” The future may include Nathan’s two young daughters, who delight in watering plants, picking sunflowers and riding their bikes down the aisles. “I’ll let them choose for themselves,” he says. “Right now they are learning it takes lots of hours and hard work to make a living. We have been blessed.”




Ann Marie Harvey is Vice President of Communications at Vertical Solutions Media. She specializes in creating dynamic copy that is both genuine and compelling. Editing the written word is her passion.

USING TECHNOLOGY FOR SMALL BUSINESS SUCCESS

By Bethany Meadows





Running a small business today often means competing against much larger companies. Understanding the importance of innovation, creativity and technology are essential to business success in the crowded marketplace.

For some, the very idea of technology goes against their business philosophy of establishing personal connections with their customers. However, if used correctly, technology can be the key to scaling your business, retaining that personal touch and making you more competitive against larger companies.

NINE WAYS TECHNOLOGY CAN SUPPORT YOUR SMALL BUSINESS

1. **Build relationships.** Technology provides the means to communicate and connect with your prospects and customers more effectively. There are now a host of software programs for texting, emailing, live chatting and more. By having many of options for communicating with your company, your customers can choose the one they are most comfortable with.
2. **Savvy marketing.** As a small business, every dollar must be invested wisely. Marketing technology provides the small business owner the ability to hone in on their target audience with more precision and increased return on investment. Technology can provide options like retracking ads which follow visitors from your website to social media or other sites, or email automation which nurtures a relationship through the sales funnel.
3. **Remote workplace.** Through technology, today's workplaces are no longer connected to a particular location. This allows a small business to work remotely with people all around the world. Whether you use remote vendors or workforce, this option can not only save you money through a lower overhead, but also provides you with access to a wider range of skills and experience.
4. **Automate processes.** Growing a business requires a business owner to wear multiple hats. With so many things requiring your

time and attention, automating processes can help keep you focused. Technology can help by automating posts on social media or auto-reply to a customer's inquiry. Review the processes in your business and consider whether there is an app for that.

5. **Boost productivity.** Time is money. Technology can streamline processes and increase efficiency allowing you to get more done. There are a host of project management software tools available to help you collaborate with team members and keep track of tasks. Time tracking features can help you spot where time is being wasted and identify more efficient uses of time.
6. **Tracking financials.** There are few other things that can drag your business down faster than wasteful spending. Financial technology provides a clearer picture of income and expenses and allows the opportunity to correct problems before they become a bigger issue. Online invoicing can reduce the cost of collecting payments and sharing digital files with your accountant can improve bookkeeping processes.
7. **Increase collaboration.** Two heads are better than one and collaboration is a key process to business success. Video conferencing, cloud storage and an internal intranet are just a few ways technology can serve a small business team. Technology also provides a small business with access to online learning to help stay relevant with a changing marketplace.
8. **Perform analysis.** You don't know what you don't know. Technology provides access to insights on everything from your financials to your website visitors. This information is vital for informed decisions on changes, revisions or new directions.
9. **Stay secure.** A data breach can be very serious and costly for a small business. Not only will it cost you money, but it can often be devastating to your brand reputation. Technology is key to protecting your digital assets from malicious software and hackers.

If your small business is competing against a larger competitor, you need to leverage your strengths to create a differential that is appealing to your customers. Focus on what you CAN offer and use technology to support your position.

CHOOSE YOUR MARKET SEGMENT.

The smaller your business, the more laser-focused on a chosen market segment you need to be. Technology can be used to pinpoint and access those market segments. By focusing on a niche market, you can dominate in that subcategory over a larger competitor. Once you are successful, you can expand to other market segments as well.

CRAFT A GOOD STORY.

Everyone loves a great story. Make a list of all the ways you are different from your larger competitor and turn it into stories for your audience. Stories should include your origin story, product/service story (your value proposition) and your brand story (why you exist). Then use technology to communicate those stories to your chosen market segment.

AND FINALLY, EXCEED CUSTOMER EXPECTATIONS WITHOUT TECHNOLOGY.

In a world where technology is a necessary business strategy, small business owners have a natural advantage when interacting with customers. Technology has its place in many areas of your business, but you can really "wow" your customers when you deliver an unexpected personal touch. In whatever ways you are able, create the space in your business for exceeding customer expectations with things like handwritten thank you notes, personal responses to emails or a live person answering the phone.



Bethany Meadows is the owner of Vertical Solutions Media, Inc., a full service marketing agency specializing in brand storytelling, content marketing and creative growth strategies. She is also the owner of Time to Thrive, online marketing training, resources and coaching for small business owners. Find out more at www.timetothrivemembership.com.

Progress Bank Opens its 12th Office in Tuscaloosa

By Ann Marie Harvey



BRAD HAYES

The Board of Directors at Progress Bank recently announced it has received regulatory approval to open a Loan Production/Deposit Production office in Tuscaloosa, Ala., joining Progress Financial Services already in the city. This will be the 12th location for the bank.

"We have been anxiously awaiting the right time to add to our banking services in the area and are excited to finally be moving forward," says David Nast, President and CEO. "We look forward to working in this part of the state."

Brad Hayes has joined the bank as the area's Market President. A native of Tuscaloosa and a graduate of the University of Alabama, he has 17 years of experience in the industry. He has had a variety of roles ranging from branch management to commercial banking throughout central Alabama. "I'm really excited to be back in my hometown full-time after many years in Birmingham," Brad says. "Opening a new office is a challenge and I'm thrilled to be part of the many decisions that go into the process."

David says Brad's insight to the needs and wants of the clients in the area will be important to their success. "Brad's impressive banking background will be an integral addition to our senior management team," he explains. "We are glad to have his expertise on board with Progress."

Community involvement has also been important throughout Brad's career, serving on the board for Junior Achievement, supporting the United Way and Kulture City, and teaching financial literacy at K12, the University of Alabama and Samford. Brad and his wife, Thao, have been married for 23 years and are enjoying the empty nest life. Son Dylan is a recent graduate of the University of Alabama and is applying to dental schools, while daughter Kaitlan is studying pre-dental at the University of Alabama at Birmingham.

The interim bank office will soon be in operation at The Tuscaloosa Galleria at 1661 McFarland Boulevard N, Tuscaloosa, AL 35406. The bank's permanent home, located at 2529 12th Street, Tuscaloosa, AL 35401, is under construction and should be completed in 2022. It will include a full suite of services from Wealth Management to Mortgage Services.

Progress has also received approval to open its 13th location in Panama City Beach, Fla., this fall. The office will be temporarily located at 107 West 23rd Street, Suite W-4, and is expected to open in November. The location will provide a full suite of services under the leadership of Market President Dewayne Youngblood.



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Building on Three Generations: Morris Development, LLC

By Ann Marie Harvey

DECATUR, ALABAMA

Howard Morris isn't one to sit still, not even letting two hip replacements sideline him for more than a few weeks. At 84 years old, he still enjoys hands-on work with the company that has its roots in the early 1960s. Although he was a principal for Morgan County Schools, Howard had a side hobby he parlayed into a summer and after-school business—building houses. "My grandfather is completely self-taught and is good at everything he does, from framing to plumbing," says grandson Peyton Morris.

In 1960, Howard built his first house for himself and his wife, Sara. Over the next 20 years or so, he built nine different houses. "It says a lot that my grandmother was willing to move so many times," Peyton laughs. "My grandfather just loves to build things. He would sell one and live in another one he had just built."

A SECOND CAREER

After retirement in 2001, Howard officially founded Morris Development, LLC. His electrician son, Dennis, also a teacher and principal, helped at night and in summertime until his recent retirement. Now he splits his time between electrical work and financial duties. Peyton came on board in 2020 after receiving a master's degree in Building Science from Auburn University. "I remember being frustrated as a kid because my dad dragged me to work on Saturdays," he recalls. "As I got older, I started to enjoy it, particularly working with subcontractors and vendors."

"Our staff consists of just the three of us," Peyton continues. "Sometimes they let me learn by messing something up, but they do a good job of helping me too. We enjoy working together."

Peyton attributes his education with giving him a firm foundation, from contract knowledge to ideas on how to run his jobs, but on-the-job training is where he has learned the most. "Education really is the tip of the iceberg," he says. "There are the way things are supposed to run and then what actually happens—you have to learn how to deal with that."

NEW WAYS OF DOING THINGS

Since he joined the company, Peyton has experienced firsthand the challenges of building in a pandemic with supply chain issues. Although his undergraduate degree is in supply chain management, he never expected to see the quick increase in the costs of materials. "We have had contracts go way over budget lately because of the price of materials," he says. "We try to be fair as we can."

The supply shortage has caused the Morris family to reconsider some of their methods. What worked in the past has become cost-prohibitive today. "We built the foundations for our subdivision homes the old-school way by using blocks to form a slab and then pouring it, but now we are using a monolithic slab, which is just as strong but faster and less expensive," Peyton says. "We also switched to roof trusses when lumber got really pricey. We found we could save money and eliminate waste at the same time."

Morris Development currently has nine houses under construction with another eight waiting in the wings. Before they ever break ground, the trio now sketches out and schedules the entire project, from the materials they will need to predicting the amount of labor they will need. "Even a year ago we didn't start planning before the house was going up," Peyton

explains. "Things have changed immensely, but I believe that after this materials shortage we will see a more efficient industry from all the lessons learned."

Although the company mainly builds in Decatur, they have expanded into Hartselle and Madison, Ala. "I want to continue to organically grow the company the way my grandfather has," Peyton says. "We want to increase the size of our custom homes and work on some upscale subdivisions. There is certainly room for improvement and we constantly want to do better and more."

ENJOYING THE JOURNEY

Although the Morris' originally thought that demand might go down during the pandemic, they have found the opposite to be true. "We were surprised at the amount of people who want a new home," Peyton says. "Buyers are very interested in having a home office as people have transitioned to working at home."

The wet weather in Alabama has delayed work in 2021, causing a pushback in their subdivision work by almost a year. "That's about the time prices started going up," Peyton says. "We had contracts to build homes that we couldn't begin because we couldn't get the materials." Labor has also been a factor, losing all but one of their general laborers. "We've had to pivot the way we do things," he says. "Our subcontractors are great and show up when they are supposed to, but there have been frustrating delays."

Progress Bank continues to be an important company partner. "My grandfather has worked with his banker for at least 20 years," Peyton says. "Progress helped us navigate the PPP loan early on and allowed us to keep people working during an uncertain time."

With different challenges each day, Peyton, Dennis and Howard enjoy the industry and look forward to the future with excitement. "We get new ideas each day and learn how to do something different than before," Peyton says. "Luckily Grandpa is good with change!"



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Signs It is Time to Sell Your Family Business

By Tina White

WHEN IS IT TIME TO SELL YOUR FAMILY BUSINESS?

It's common to think about selling your business when you are considering retiring or facing a financial hardship. But there are more reasons why owners make the tough decision to sell their business.

The key is seeing the warning signs while your business is operating at peak performance. There is a big difference between planning for the sale where you have the ability to negotiate top dollar versus selling due to an emergency that forces the family to settle for pennies. Here are the most common signs it's time to sell.

YOUR HEART IS NOT IN IT.

You had big dreams when you started your business. But has the passion for your business left the building? If your focus has shifted to your hobbies, volunteer opportunities, grandchildren or even starting a new business, it's time to search for a buyer.

It may seem confusing when you ask yourself, "How is my business successful, but I no longer enjoy the work?" The story of your life includes a lot of chapters. It's possible this chapter is coming to an end. Don't force it. Your business will suffer if your heart is not in it.

THREE YEARS BEFORE YOUR RETIREMENT DATE

Retirement is the most common reason for selling a business, but don't wait until your retirement party to start thinking about selling the business. The business will end up coasting for years while the owner waits for a buyer to magically appear.

It takes time to find the right buyer. You'll be on a secret mission to attract a buyer without advertising the company's name so you don't scare your employees and customers. Also, this gives you time to prepare so you are less likely to sell due to an emergency.

MAJOR CHANGES IN THE INDUSTRY

Every business goes through change...convert to a paperless system, rebrand the company or upgrade the computer system...again. But does something bigger seem to be on the horizon? Have you received more customer complaints in the last year than in the last decade? Do you feel squeezed from every angle? Are you losing sleep because of the labor shortage? Will government regulations and supply shortages force you to increase your price?

If the thought of leading through all of the industry changes makes you want to throw someone the keys and move to the beach, then it may be time to sell your business.

“

Get your business to the point where you are irrelevant.

”

YOU RECEIVE AN OFFER YOU CANNOT REFUSE.

For years, you've invested blood, sweat and tears building a great business. Potential buyers are willing to pay top dollar for profitable companies with a great reputation and an awesome team.

Pay attention to the changes in the industry. If investors from outside of your industry are buying competitors, it may be the perfect time to sell. In hot markets, sellers enjoy higher than average multiples when calculating the sales price, plus more favorable terms. The number one rule of investing is "buy low and sell high."

Take advantage of a seller's market even if it is a few years before you planned to sell.

RISK OUTWEIGHS REWARDS.

Running a successful company requires long-term thinking, taking risks and investing in the future. An early sign you are ready to sell your business is when you start fixing problems with duct tape and stop investing in new equipment, experimenting with new marketing ideas and training employees.

When it is time to sell, you'll start to hold on to the "old days" and notice more risk than rewards. It's time for you to sell the business to someone that is eager to invest in the business long-term and protect the legacy you've created.

BUSINESS OPERATES PROFITABLY WITHOUT YOU.

It may sound weird to sell your business when it is profitable and not dependent on your time. But, this is the perfect time to sell, because it is when your business is most valuable. Investors love to buy companies that have systems in place that enable them to run smoothly without an owner's involvement all the time.

Plus, you are not desperate to sell the business. You have negotiating power where you can walk away from a low-ball offer because you know you have a business that works well and you can wait for a better offer.

THE BUSINESS HAS COASTED FOR A WHILE.

There's a big difference between setting a business on autopilot versus allowing the business to coast. When you take your foot off the gas pedal, you'll lose customers and employees. Over time, your business will lose value. Sell the business before you hit a dead-end.

BOTTOM LINE

Still not sure you are ready to sell? Get your business to the point where you are irrelevant. Imagine owning a business that operates efficiently and profitably without your daily involvement. Your business will be ready to sell when the time is right for you.



Tina White helps business owners set their business on autopilot. Imagine running a business that operates profitably without your daily involvement. You'll have the freedom to choose how you spend your time, money and energy in business and life. You can find out more about Tina and her company at www.panoramicacademy.com.

Strength Overcomes

Beth B. Richardson
Market President, Madison

By Ann Marie Harvey



As the market president of the Madison, Ala., market, Beth B. Richardson has many strategic roles in the community and at the office. But the most important task occurs before work each day—she hits the gym. For Beth, her commitment to self-improvement and health on a daily basis aligns with her leadership style.

T4S: How has working out changed you?

BR: I've been working out for many years, but I found CrossFit five years ago and it pushed me beyond what I thought was my potential and perceived limitations. I fell in love with it because I never imagined myself being able to do those things. I

became more confident and more adventurous to get out of my comfort zone to try new things. It's also hilarious that I learned I have a competitive nature! Now I work out with a personal trainer to help keep the injuries at bay. When you have a healthy mind, body and spirit, people want to connect with you and there is an element of credibility that goes along with that. All of that comes into my role at Progress.

My gym time is sacred and the day isn't right without it. I'm excited to be 50, even though I've had a few injuries more recently. But they have taught me that I still get to do something because I can modify! I won't allow my challenges to take

control of my life and I will learn how to function and maneuver in spite of that. I've gone to the gym in a boot or a brace and that is the greatest testimony and witness I can give others. I'm never giving up. My goal is to improve every day, even if it's just one percent.

T4S: What is one thing you're really proud of in the gym?

BR: I really wanted to learn how to do a strict pull-up, so I had to build upper body strength before I did my first one unassisted. I was in tears I was so excited. Now pull-ups are in my workouts, sometimes three sets of 10-12. That is a huge achievement for me. I am constantly striving to improve both physically and mentally.

T4S: What has this fitness journey given you professionally?

BR: If anything, it has birthed a work/life balance within me. I make self-care a priority because I know what my life is like—busy! I can get away to the beach with my family, be present and disconnect from work. It's easy to have a fear of missing out, but I engage myself when I return and realize I haven't missed anything. If we aren't healthy as bankers, how do we provide healthy solutions for our clients' challenges and growth? It's important to decompress so I can refocus and be my best for those we serve.

T4S: How do you coach your employees?

BR: It's important to connect with my team so they know I'm there for them. I recently had an employee who desired a promotion, but he needed some encouragement and time to do the necessary work. He talked about his goals, plans and asked more specific questions. The opportunity for growth is there, but he learned he had to be patient and prepare himself for the next level. Our coaching sessions over the past year now have him ready to move up.

T4S: Do you find yourself coaching clients as well?

BR: Absolutely! I'm able to offer them wisdom and guidance to help them reach their business or



personal dreams. I want to create such inspiration in people they get to flourish and dream bigger. It's all about overcoming obstacles! The gym and my coaches have done this for me—I never dreamed I could back squat 275 pounds or deadlift more than 200. Most of what I've learned is in the mind—I have learned to be comfortable when I'm not at my best and be okay with my results because I know what I can do and it's okay to have an off-week. Fitness taught me you can't always have a mountaintop experience, but I need to encourage myself to climb up from the valley again.

In leadership, we have to understand the additional value we bring to our clients beyond the transaction. Clients may not even ask what the current interest rate is because what I bring to them is more valuable. Together we sit down and make decisions about how to save, pay off debt and how to measure their goals.

T4S: How do you prepare to have difficult client conversations?

BR: Leaders have to be compassionate and speak truth to power—in love—to our clients. We ask the tough questions: You want a \$3 million loan with no equity in the project? Are you investing your own money in it? We provide discipline, accountability and become partners in the decision. We establish trust and credibility with everyone putting in the work. We become advocates, mentors and coaches—we do more than just loan money. We know from the start if they will be successful or not.



T4S: Volunteerism is something that is really important to you. What have you learned from those experiences in the community?

BR: When I was a young professional I was involved in so many things, but I didn't know what I was passionate about. I realized my calling is to make a difference in underserved markets and communities—this is where my vocation collides with my ministry. I serve on boards that impact underserved neighborhoods and teach adults and children how to overcome poverty through financial stewardship. I teach potential entrepreneurs about financial management and how to build a business plan. All of this aligns with what I do every day, so I like to work on boards and committees that impact these areas. I want people to feel like they matter and can make a difference in their own worlds.

T4S: What advice would you give others?

BR: Stop taking yourself so seriously. We want it done right now (and perfectly) to meet our goals, but learn patience, enjoy the journey and don't rush to get to the destination. If you do the right things consistently, the goals and production will work out.

T4S: What is your definition of success?

BR: I have learned to not just get through my day, but to actually enjoy it. It certainly isn't perfect and maybe I lost a deal that day, but the next one will

be even better. It's important to follow up in a timely manner and be an advocate and a resource for my clients. I don't give up until I can see the bigger picture. I keep working and pressing forward and I'm willing to stretch and be uncomfortable. I'm still learning, growing and maturing. Success is being open to possibility and opportunity, even if we don't know what it will do for us or the impact it will have on someone else. When you're healthy, it's easier to congratulate and celebrate others and not stress about things out of your control.



Ann Marie Harvey is Vice President of Communications at Vertical Solutions Media. She specializes in creating dynamic copy that is both genuine and compelling. Editing the written word is her passion.

No matter how full her schedule becomes, Beth sets aside time to also focus on her personal growth. Beth is an avid reader and particularly enjoys personal or Christian themes that enhance her self-discovery and reflection to be a better person for the people she connects with. Here are a few of her recent favorites.

The Genius of Generosity by Chip Ingram does an excellent job of explaining the difference between giving and being generous.

In Becoming by Michelle Obama, she shares that people continually asked her what she wanted to be as she grew up.

Necessary Endings by Dr. Henry Cloud focuses on the things we have to do to achieve success in life. He says we must prune the things out that we thought were good but aren't now.

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Keys to a Successful Family Business

You may have heard that most generational businesses don't last to the third generation. Hearing this so often, you might assume that family businesses may be more fragile than other forms of enterprise. That perception couldn't be farther from the truth.

In reality, the data actually suggests that family businesses last far longer than typical companies do. In fact, today they dominate most lists of the longest-lasting companies in the world and are well-positioned to remain competitive in the 21st century economy.

So how did this myth about businesses not lasting into the third generation begin? It actually came from single study of manufacturing companies conducted in Illinois in the 1980s. That study is actually the basis for most of the facts cited in speeches and articles about the longevity of family businesses. The researchers took a sample of companies and tried to figure out which of them were still operating during the period they studied. Then they grouped the companies into 30-year blocks, roughly representing generations. A third of the businesses in the study made it through the second generation and only 13 percent made it through the third.

A major flaw in the study is that it didn't compare these manufacturing companies to other types of companies. It also provides no insight on why some businesses disappeared. Family disputes and business problems surely did hurt some of them, but in other cases the owners may have simply sold their business and started a new one. That's not exactly "failing."

The three-generation myth has become so pervasive it can become a self-fulfilling prophecy for family businesses who believe the odds are stacked against them. Getting rid of this mindset can certainly help businesses thrive when they are passed to the next generation.

All founded in the 18th century, Villeroy & Boch, Riedel Glas, Jose Cuervo and Waterford Wedgwood are some family names you will definitely recognize, but there are thousands of smaller companies that are flourishing and thriving well into their second century. Here are some of the characteristics that have given them staying power.

THEY THINK IN TERMS OF GENERATIONS.

You may be surprised to learn that according to the U.S. Census Bureau, family businesses—companies in which two or more family members exercise control—represent about 90 percent of American businesses. They range in size from two-person partnerships to Fortune 500 firms and account for half of the nation's employment and half of the U.S. gross national product.

Family businesses tend to think in terms of generations, allowing them to take actions that put them in a better position to endure the tough times.

Although debt is a great way to fund growth, it also puts the company at risk during the inevitable downturns in the economy. Family businesses last longer because they are able to pay the price that longevity requires.

THEY ARE PART OF THE COMMUNITY.

There are times that demand resiliency rather than rapid growth—like a global pandemic, for instance. Owners that are close to their businesses can adapt quickly to changing circumstances. By working hard, they can preserve cash and ensure the well-being of their employees and communities. In many studies, family companies have been shown to be better employers and community citizens than their non-family-run peers. That's a distinct competitive advantage.

THEY ARE INVOLVED FROM THE BEGINNING.

One thing generational businesses have in common is that the kids are around the company from the time they are small. Whether they are hanging out in dad's office, helping mom with inventory or cutting the grass around the business, they are involved. With that comes a sense of pride that they are participating in something that is important to their family.

When it comes time to pass the business down to the next generation, they may have already been a part of the company for years and learning from their parent or grandparent. More than likely, they have been trained by the best and are ready to take the reins.

THERE IS AN EXIT PLAN.

Transferring a family-owned business from one generation to the next is not a sure thing. Having a detailed exit plan and a roadmap for you, your business and the next generation of leaders will help make a tricky situation a smoother transition.

Most business owners spend so much time trying to make their endeavor a success that they forget about planning for the future. An exit plan addresses financial, tax and legal matters, as well as your personal financial goals. It also considers how to maximize your business's value and tax liability.

The best exit plans are laid out long before the owners is actually ready to transfer the business. Develop a clear vision for the future and define your

personal goals and a vision for the transfer of ownership and management.

THEY ARE HONEST WITH FAMILY MEMBERS.

As a business owner, you have to face difficult decisions head on—which is especially the case when dealing with family. For example, if you have multiple children who are interested in being part of the business, they have to realize they all can't be president. Be honest with your children about their skills and abilities. Make your intentions known sooner rather than later and be honest about what is best.

Also put all your business relationships in writing. It's easy for family members to be drawn into a business startup without a plan for what they will get out of the business relationship. To avoid hard feelings or miscommunication, put something in writing that defines compensation, ownership shares, duties and other matters.

THEY REQUIRE OUTSIDE EXPERIENCE.

Instead of bringing your child into the business as soon as they have finished college, insist that they get at least three to five years of experience elsewhere first, preferably in an unrelated industry. This will give them valuable perspective on how the business world works outside the family setting.

THEY HOLD ALL EMPLOYEES TO THE SAME ACCOUNTABILITY STANDARDS.

Some of the strongest family-owned businesses find expertise in non-family members to help them run the business. Some of those employees will be just as dedicated and knowledgeable as family members.

This is where you have to be careful and not show favoritism to a family member. Nothing will undermine an employee's positive attitude and dedication to the business owner than to allow slack with a family member. The most admired family-owned businesses have a reputation for treating employees and family members fairly and equitably.

THEY EMBRACE CHANGE.

"But we've always done it this way." Yeah, famous last words. Business owners who look to the relevance of their products and services and embrace new things are poised to take the business into the next



generation. Ask yourself if you have a plan for how to differentiate your business from the competition in a crowded marketplace.

Change is inevitable and has to be accepted by any business that wants to remain successful in the future. Make sure your stakeholders see the wisdom in the need to evolve.

THEY PRESERVE FAMILY GRAVITY.

The *Harvard Business Review* spent three years on a global study to discover what makes "family gravity." They came up with the following six elements.

1. Families must have a **values system**. This is a common framework for building relationships with the business and the community. This gives it a moral center that helps sustain it in the face of challenges and difficult decisions, while providing a powerful way to differentiate itself in the marketplace.
2. A clearly defined **vision for the future** that is communicated well and guides the family's actions. This allows a family to set goals and determine priorities.
3. Families must be clear on their own level of **involvement**. Information sharing is a necessary part of ensuring that everyone can carry out his or her responsibilities and be a positive force for the business.

4. The family must demonstrate cohesion and interaction. This shows how resilient the family will be and how it will respond to change.
5. Good **family governance** means ensuring that decisions are made and authority exercised in accordance with established and best practices so as to avoid conflicts, commit to professionalism and attract and retain superior talent.
6. **Leadership principles and roles** are clearly defined for all executives of a certain level, operating within or from outside the company.

THEY HAVE A UNIFIED VISION, INNOVATION AND GROWTH.

Every member of a family business has a purpose and a vision to make the business successful. Unlike working for a company where employees are working for their targets and income, family businesses work for the continuation of the business. The frequent fails of family companies are due to a lack of similar goals and vision. In order to keep the business going to the next generation, they have a laid-out plan on how to meet the vision of the firm. And again, they have a succession plan in place and work on developing the next team of leaders.

Current management works to ensure they propel the enterprise to the next generation and strategically plan for the business on a frequent basis. Another way of handling this is to assemble an independent management board to provide oversight.

THERE IS A MEASURE OF TRUST.

Most successful businesses run on the basis of trust and honesty, something that is paramount within the family dynamic. Additionally, customers tend to generate confidence and trust with family businesses.

THEY SET BOUNDARIES.

Leaders of flourishing family-owned businesses know that setting boundaries is critical to establish and maintain success. Institute and uphold a clear separation between family and business. In other words, keep family issues out of the office and keep work at the office. There's a time and place for both.

They also don't provide sympathy jobs for family members. Avoid becoming the employer of last resort for your kids, cousins or other family. Employment should be based on what skills or knowledge they can bring to the business.

THEY RECRUIT FROM THE OUTSIDE.

It is essential to recruit outside the family for both staff and leadership positions. There is a world of talent out there. Successful family businesses tap into this talent pool for skills and expertise family members don't have.

THEY MAKE IT OPTIONAL.

Don't guilt your relatives—or children—into joining the family business. They may have another dream to follow—and they should. Any company, family-run or otherwise, needs employees who are passionate about both the corporation and their role within it. Allowing family to come to the company on their own leads to happier employees and better business.

THEY TREAT IT LIKE A BUSINESS.

A common practice is to place too much emphasis on "family" and not enough on "business." The characteristics of a healthy business may not always be compatible with family harmony, so be ready to face those situations when they arise.

THE BOTTOM LINE

It's hard enough launching a company without the added pitfalls and potential baggage of family relationships. But family businesses have great advantages over others—mainly a dedicated group of people ready to stand behind your effort. If your startup is a family business, you'll need to take extra steps to avoid burnout, ensure on-the-job harmony and attract advice from business experts outside the family circle.

If you are the second or third generation in the business, keep things fresh by constantly evolving and changing, thereby ensuring continuing success into the future.



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PASSING THE TORCH:

How to Successfully Navigate Transferring Your Business to the Next Generation

By Ann Marie Harvey

Family-owned businesses have long been the backbone of the American economy. But despite the job security and family legacy potential for the families that own them, the importance of careful succession planning is often overlooked.

Although transitioning ownership and control can be difficult for any business owner, the leaders of family businesses are typically faced with the added challenge of managing family relationships, while preserving the culture and standards they have worked hard to establish. If you are a business owner hoping to pass your company on to the next generation, a few key considerations can help you successfully navigate the transition while maintaining family harmony.



THE BENEFITS OF KEEPING A BUSINESS IN THE FAMILY

Often parents want and hope a child will take over the family business for the following reasons:

- The emotional/psychological benefits of working together.
- Greater employment and financial opportunities for family members than available elsewhere.
- Maintenance of the family's focal point—the business.
- Fulfillment of a childhood dream. A child has grown up in the business, knows it and wants to stay in it by acquiring ownership.
- Gradual retirement. The owner can stay semi-active in the business by gradually turning over operations and ownership to the new generation.
- Family pride and legacy. The owner takes considerable pride in continuing a family business and tradition.

THE DRAWBACKS OF TRANSFERRING A BUSINESS TO FAMILY MEMBERS

Although this sounds like a great plan, in reality there may be obstacles in the way. These can include:

- The relationships among the children may not be harmonious.
- The children have personal career goals that don't involve the business.
- The parents want or need to achieve their own financial goals before feeling comfortable transferring a business to children. The children may want significant ownership sooner.
- The children may not have the same desire, ambition or aptitude for running the business as their parents.
- The parents are dependent on some or all of the value of the business to achieve their personal financial goals, but the children do not have the financial resources to pay for the business.

BUILD AN EFFECTIVE SUCCESSION PLAN

There are three important factors to consider when building an effective succession plan.

- Strategic vision
- Continuity plan
- Tax-efficient wealth transition

STRATEGIC VISION

When planning for the future, it's important to listen to all the family members involved in the business and work together. The goal is to arrive at a consensus about where to take the business that incorporates each individual's aspirations. Here are some questions you can use to guide your discussion:

- What does our family business look like in five years?
- If you own stock in the business, do you want to sell any of it? If yes, to whom?
- Are you interested in buying stock and acquiring control?
- Do you agree that in the interest of maximizing shareholder value, this business can be sold to a third party at any time?
- Do you think we should continue to run the business and invest more into it or proactively pursue the sale of the company?
- Are you or your spouse insurable to provide death benefits to address an equitable distribution to family members not part of the succession plan?

CONTINUITY PLAN

This is a critical part of the succession plan and one that many people don't want to address. As the owner, have you taken the steps necessary to preserve and protect the business if you die unexpectedly or are incapacitated? Here are some questions to think about:

- If you die unexpectedly, can your family continue to run the business? If not, who can?
- If you die unexpectedly or become disabled, will your family have sufficient liquid resources to hire someone to replace you and provide adequate ongoing capitalization?
- Until a succession plan is in place, have you empowered trusted individuals to act on your behalf during a period of lifetime incapacity?
- If you have multiple owners, is there a buy-sell agreement in place that provides for a reasonable valuation for the business and terms of payment if the business is sold?

TAX-EFFICIENT WEALTH TRANSITION

Nothing is more certain than death and taxes, so addressing those tax issues ahead of time is key for your family business. Consider these questions:

- Do you have a recent fair market valuation of your business?
- What is the business worth if you pursue a third party sale?
- What is the business worth if you sell/gift to the next generation?
- How much wealth do you want/need to "retire" or to meet your personal financial goals?
- How much wealth do you want your children to have? Is there a maximum amount?
- Are you willing to make gifts of interest in the family business to your children, or trusts for their benefit, if you maintain management control?
- Are you and your spouse in agreement as to the ultimate disposition of the family business?

CLARIFY YOUR RETIREMENT NEEDS

If it's time to retire, selling your business is probably the way to go. After all, you need to have a substantial

amount of income or money in the bank that you can use to afford your lifestyle and living expenses after you retire. Figure out how much money you will need in order to live in retirement for the next 20, 30 or even 40 years. All this money won't necessarily come from just the sale of the business. You may have other investments, assets or businesses you can draw money from as well.

You will need enough money to at least afford the lifestyle that you are currently living. This means accounting for expenses like car premiums, health insurance premiums, mortgages, food, utilities, clothes, club memberships, vacation, etc. Even though you may not have a mortgage to worry about, you should always be prepared for an unexpected illness or emergency expense.

WAYS TO STRUCTURE THE TRANSFER

If you plan to transfer the business to family members or longtime employees, rather than sell to an outside buyer, consider these options. Each has its own advantages.

Transfer the business as a gift and draw an income from the new owners. The lifetime federal gift tax exemption for 2021 is \$11.7 million for individuals and \$23.5 million for married couples. That gives business owners considerable latitude to transfer a part or all of the company as a gift. You may owe federal gift taxes on amounts exceeding the exemption, but once the business is out of your hands, it's no longer part of your estate and future growth of the company won't subject your estate to additional transfer taxes.

This can also be accomplished through a gift of an irrevocable trust, which would allow you to have more control over the shares after the gift and provide liability/divorce protection for the gift recipient. This must be reported on a 2021 gift tax filing and you would need to have a professional valuation completed for the shares gifted to properly document the value for tax purposes.

Provide financial assistance. You might sell the business by providing financing assistance. You may choose to sell the business to heirs—or an outside buyer—by lending them the money through sale in exchange for a promissory note, which allows the buyer to pay you back directly. The advantage to you is a



steady stream of income from the principal and interest from the loan for an agreed-upon period.

If for some reason the buyer defaults, you would legally be able to get the business back while keeping all the payments that were made up until that point.

Execute a partial sale while retaining a portion of business assets and income. You may pay capital gains tax on any profit from the sale, but you'll also get a steady income from rent or lease of office space or other assets. This allows you to transfer certain portions of your business and its assets and gives you the flexibility to have some say in how the company is run. Meanwhile, the new owner is running the company and you don't have to make any of the important decisions or spend too much time dealing with its operation.

METHODS OF IMPLEMENTING TRANSFERS

The most basic legal agreement for transferring business interests in a company is a buy-sell agreement. You can use it to sell your business right away for its full asking price or you can use it to transfer your business interests at a later date. For example, if you want to transfer your business interests to a family member when you die, become disabled or retire, you

can put those specifications in the buy-sell agreement. When the event specified in the agreement presents itself, the buyer has an obligation to pay the amount that was agreed upon.

If your family member would rather make payments to you instead of paying the entire sale price upfront, you can set up a private annuity agreement. This is a special sale where you transfer ownership of the business to the buyer and they agree to pay periodically for the rest of your life. Those who want to retire may find private annuities beneficial if they cannot get full cash from their family member for the business. However, private annuities have no security behind them, so you have to truly trust the family member you are arranging this with.

If trust is an issue, a self-cancelling installment note gives the seller an added layer of security when they transfer their business over. The buyer basically agrees to the same terms as they would in a private annuity agreement. They would make payments to the seller for the rest of their life in exchange for getting ownership of the business. When the seller dies, all the remaining payments that were owed get canceled. No one will have to pay estate or gift taxes either.

STRUCTURE AFFECTS TRANSFER OF OWNERSHIP

These four basic methods of business transfer apply to all businesses. The business structure affects multiple operating, financial and legal issues, so you should consult your professionals on the details of your estate.

SOLE PROPRIETORSHIP

By definition, a sole proprietorship has just one owner. Thus, a business owner can't really sell a sole proprietorship, although they can sell its assets. As a result, the sole proprietorship dissolves and the buyer can use the assets or rights to the liabilities in any new type of business structure.

You will need to value your business to determine a sale price for the asset. A sales contract should be created, showing the amounts paid for each asset. Normally, no state filings are involved in this type of transaction.

PARTNERSHIPS

State regulations on partnerships vary, so the partnership may have to file forms with the state government declaring any ownership change.



PARTNERS IN THE PROCESS

There are many professionals you should consult besides your family members involved in the company. This team will help you navigate everything from state and federal laws to dealing with the Internal Revenue Service.

A **certified financial planner** (CFP) has a formal recognition of expertise in the areas of financial planning, taxes, insurance, estate planning and retirement. The most important aspect of a CFP is to be a fiduciary of your assets, meaning that they will make decisions with your best interests in mind.

A **certified professional accountant** (CPA) should be on your team from the beginning to help you navigate complicated tax rules. They will also help you make decisions to minimize your tax liability while maximizing your proceeds.

A trusted **attorney** is a must for your team. Although there are many legal documents you can find yourself online, it's helpful to have an actual professional who can navigate complex legal situations like transferring your business to the next generation.

If you will be utilizing your financial institution for any of these agreements, be sure to include your **banker** on the team. They have dealt with a variety of business situations and have a wealth of expertise and knowledge to share.

Another professional to consider is a **certified exit planning advisor** (CEPA)—a financial advisor who has special training to help business owners create an exit plan—a blueprint for selling your company for maximum benefit. Not just concerned with your business goals, they consider your personal and financial objectives as well.

LLC

A Limited Liability Company gives each owner the same amount of ownership. If one of the owners decides to retire, the other owners can buy his stake in the company. The LLC draws up a new operating agreement and articles of organization, filing with the state if required.

INCORPORATION

Businesses can be incorporated as either a C Corporation or an S Corporation. In both, ownership percentage is based on the shares owned. If you want to transfer ownership, the process is the same for both. Shares can be sold, gifted or bequeathed. An S Corporation cannot have more than 100 shareholders, so transfer of ownership may be prohibited if it would create more than the allowable number of owners.

If you want to transfer ownership of all or part of your stock in a corporation, you may need to seek approval from the board of directors or other shareholders. After that, consult with both an attorney

and tax advisors to determine the optimal method and timing of selling your shares, to both maximize your proceeds and minimize your taxes.

When it's time to pass the torch to the next generation, planning ahead of time, involving all your family members and making decisions that are in the best interest of the business will ensure a painless transition. You can be assured that the business you (or the generation before you) spent so much time nurturing is in good hands, ready for the future.



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Make Sure Fairness is a Priority in a Family Affair:

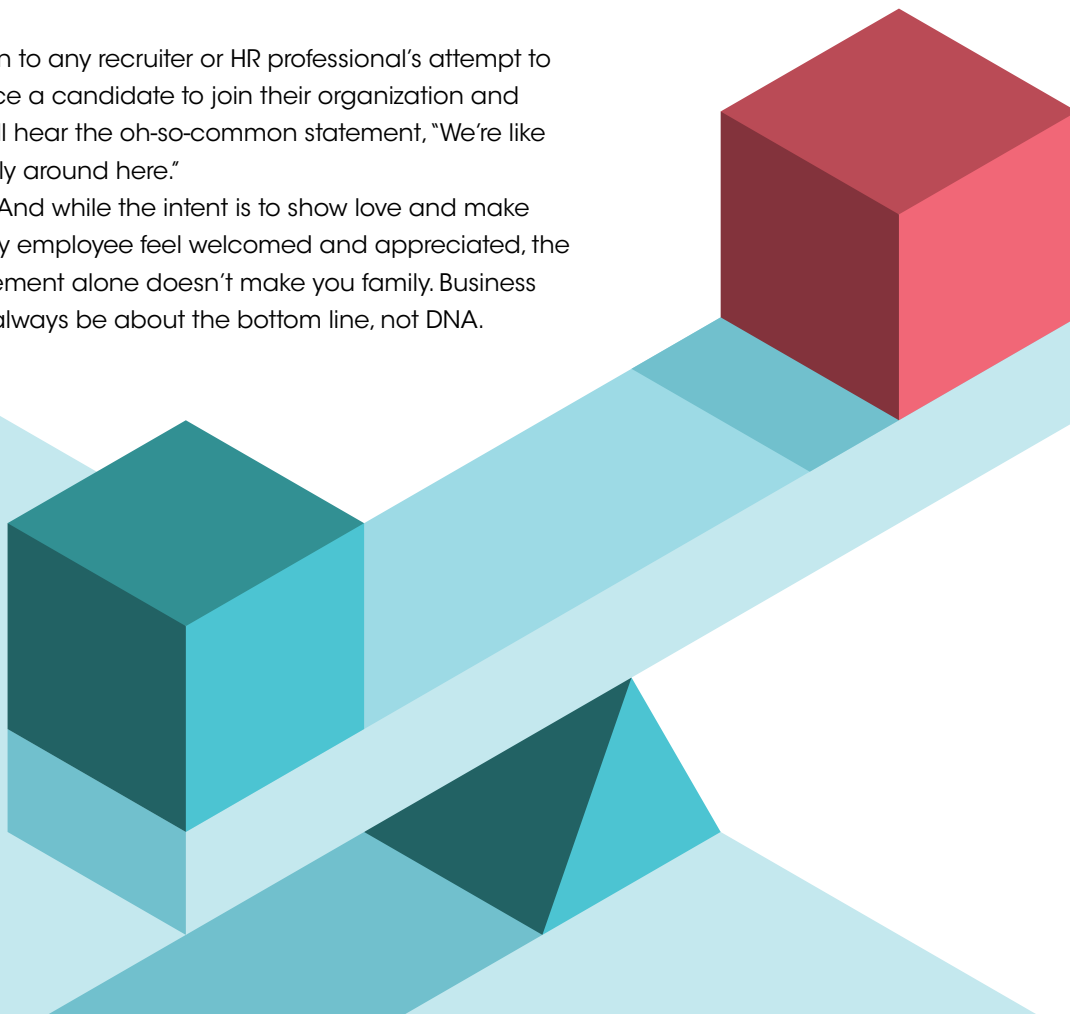
HR's Role in the Family Business

By Melva Tate

"Fairness does not mean everyone gets the same. Fairness means everyone gets what they need." — Rick Riordan

Listen to any recruiter or HR professional's attempt to entice a candidate to join their organization and you'll hear the oh-so-common statement, "We're like family around here."

And while the intent is to show love and make every employee feel welcomed and appreciated, the statement alone doesn't make you family. Business will always be about the bottom line, not DNA.





As a seasoned HR professional, I've had my share of challenging situations. Sexual harassment, theft, pregnancy discrimination, toxic employees, bad managers—you name it, I've seen it. However, the challenges are amplified when you weave in nepotism exploitation—a result of that friend or family member feeling exempt from company policies and procedures.

Nepotism looks different in each business, but at its core, is still the practice of those with power or influence favoring relatives or friends in the workplace. I see it in business, but it also runs rampant in politics, entertainment, sports, fitness and even religion.

Let me be clear—I don't have an issue with hiring relatives or friends. I've hired my own children, friends and family members to work for my consulting firm. My most recent hire is my daughter's godmother and my dear friend of 30+ years. She's talented, efficient and innovative, amongst other strengths. However, the number one reason I hired her is trust. I know her and I trust her. She knows and trusts me. The relationship works for us and we both benefit.

I'm not alone in using "trust" as a key factor in hiring friends and family. My doctor hired her mother and niece to work in her medical practice. They are amazing and extremely professional. My former boss hired his brother to help operate his construction business. After I left his company to start my consulting firm, he hired his daughter to replace me in managing the human resources department.

I have talked with other business owners who shared their reasons for hiring friends and family. Some of those reasons include availability, lower pay/salary, knowledge of business/industry and flexibility. Succession planning is also another factor in hiring family members—primarily to ensure a family member is prepared to take the reins of the business in the future. A recent study of family business leaders found that nearly 60 percent of majority share owners in the

family businesses surveyed were 55 or older, and nearly 30 percent were 65 or older, yet less than 30 percent of the respondents said they have succession plans in place, and less than 40 percent said they have a successor in line for a transition.

Regardless of the why and how the person joined the organization (years of familiarity vs. years of experience), those leading the company and managing the human resource function must focus on fairness.

Leadership's defining quality is honesty. To honesty, add fairness and consistency. — Cole C. Kingseed

A recent workplace survey polling more than 1,000 random employees ranked FAIRNESS as one of the top five needs or expectations from their manager or supervisor.

In a fair workplace, managers ensure that all employees are treated equally to their peer groups of a similar skill set. This is regardless of demographic status or relationship to other members of the organization.

So, what fairness issues should be front and center in a family business?

HIRING

Nothing is more frustrating than working alongside someone who is not trained, experienced or equipped to do the job. My former boss would say that your name and network can open doors for you and even "gift" you the job, but it's your talents, skills and work ethics that will keep you there. The ultimate goal should be to hire the best candidate to do the job.

To ensure fairness in the hiring process, HR should establish a hiring policy, develop job descriptions and ensure all positions are posted internally to give non-relative employees an opportunity to advance.

ACCOUNTABILITY

HR is the front line of defense in ensuring that the family business complies with regulations, acts, federal mandates, labor laws, etc. Non-compliance can result in costly fines and unnecessary legal expenses. Violation of laws can also lead to EEOC complaints, discrimination lawsuits and damage to the company's brand and reputation.

HR should establish cultural and compliance policies that illustrates the company's values while protecting all employed. This means holding everyone accountable at every level in the organization. Everyone! Holding non-family members accountable to the rules and regulations, while overlooking the violations of family members will dilute and often invalidate any policy, process or standard operating procedure.

COMMUNICATION

You heard what from whom? The ability to communicate effectively is an admitted challenge for most organizations. Varying levels of challenge, sure. Still a major problem, absolutely. Now add the complexities of a family business and it becomes even more difficult for the non-family member as well as the related. Sifting through rumors, premature delivery of critical information, sharing details with those who don't have a need to know (pillow talk), and disrespectful language all add to and often magnify communication challenges.

Words matter. Respect matters. Management sets the tone for communication within the business. The tone will dictate how other employees communicate and interact with others.

PAY, PERKS, AND BENEFITS

This is the big one. And the one that causes the greatest discontent, disagreements and ultimate departures. Equal pay for equivalent performance is expected and should not be dictated based on your bloodline. I've encountered a multitude of inappropriate pay practices in family businesses. Enough to write an entire book.

Several years ago, my aunt launched a barbecue restaurant in Texas and decided to hire a few relatives to assist her. Not understanding the ramifications, her practice was to pay family members out of the cash totals at the end of the night. That worked well for everyone until she fired a niece for poor performance. The niece in turn filed for unemployment pay. Well, I'm sure you can guess the outcome. By the time she paid all of the back taxes, fines, etc., she barely had enough funds to keep the restaurant open.

Human resources should work with ownership to establish pay and benefit practices, despite the size and make-up of the organization. In addition, there should be transparency in pay, pay raises, perks like travel and technology allowances, and benefit allocations.

NO FAIRNESS - NO FAITH

A workplace culture of unfair treatment can be detrimental to all. It can result in negative attitudes and destructive behaviors, such as low commitment to the family business, poor customer service, distrust in management, job dissatisfaction, absenteeism, brand negativity, theft and more. Clearly, all of these outcomes are damaging to employee morale and the family business' bottom line. By contrast, fair and consistent treatment builds trust, strengthens morale, enhances productivity and deepens commitment and loyalty.

Human resources must function as, and be respected as, a strategic business partner willing to collaborate with family owners and business leaders for the ultimate success of the company. Establishing strategies to achieve workplace fairness including clear expectations, well-written policies and unbiased, consistent enforcement of procedures are critical to achieve that success.



Melva Tate is the owner of Tate & Associates, LLC. As a speaker, consultant and a human capital strategist, Melva specializes in cultivating teams within organizations through training, compliance and leadership development. Google and get to know her.

Photography courtesy of Randy Wise Homes



BEAUTY ON THE COAST: Randy Wise Homes

By Ann Marie Harvey

Randy Wise came to the building industry via a circuitous route. During high school and college, Randy worked at a local hardware store in his hometown of Niceville, Fla.— the kind that stocked everything from fishing tackle to plumbing supplies. “For five years, I learned the language of the materials,” he explains. Still unsure as to his career path, Randy became a mason and laid brick and block. After receiving a degree in exercise physiology, Randy was a teacher and coach for a few years while still laying brick and block on the side. In 1977, Randy Wise Homes was born. “My wife Debbie and I started out small and did everything ourselves,” he says. “We focused on a few custom houses at a time.”

USING THE RIGHT TOOLS

By 1979, the pair had quit their jobs to commit full-time to

FLORIDA PANHANDLE

their company. In the 40 years since, they have added 50 to 70 staff members to do what the two of them used to tackle by themselves. “Things have changed dramatically over the years and have become more complicated,” Randy says. “From building codes to government requirements, it takes more of us in the back office, superintendents and division managers to make sure things are done the right way.”

The Great Recession was actually the impetus for the couple to grow their business further. “We were building five to six custom homes a year and had a huge interest payment each month,” Randy explains. “The best way to manage that was to build more houses and we were fortunate to do that.” At their peak, they constructed about 120 houses a year, with their current volume topping out around 60 to 80 more expensive homes in

Okaloosa and Walton counties.

One way Randy has insulated the company is through its many divisions: three for new construction, one for remodeling, a real estate company, a poured wall concrete company and a cabinet company. "We are probably the largest remodeler in the Panhandle," he says. "We build a lot of our cabinets and pour concrete walls for walk-out basements. It's helpful to have these divisions when it's hard to find good help and materials."

As prices have increased during the past year, Randy says a typical framing package that formerly cost \$20,000 is now closer to \$60,000, frustrating many in the industry. "The pendulum swings back and forth and we are fortunate to have the options that we do," he says.



A FAMILY AFFAIR

Both of their sons, Caleb and Landon, started sweeping out houses before they were 10. By their teenage years, that turned into part-time jobs after school where they gravitated toward learning carpentry. After both graduated from college, they still had the desire to be part of the industry. Today Caleb is the manager of one of the construction divisions while Landon owns his own landscape design company. "Landon does a lot of our landscape work or rehabs existing landscapes on other homes," Randy says. "They both work really hard for us and it's a joy for us to work with our sons." Having their sons in the business means that someday soon the couple can slow down a bit. "We enjoy traveling and

spending time with our five wonderful grandchildren," he says. "I don't think we will ever retire, but it's nice to do what we want."

Randy Wise Homes keeps five to seven model homes open at any given time. "Our visitors comment our houses are so warm and friendly that they don't want to leave," Randy explains. "Debbie is our design genius—she has the ability to put things together and is a gifted interior and exterior designer." Even though it is a construction company, many of his employees are female. "We all work together to create everything from curb appeal to a welcoming interior," he says.

ALWAYS GIVE BACK

There's more to this company than just creating beautiful spaces. Randy prides himself on being a loyal community partner. "We support local teams but we also help with larger projects," he says. "We built three homes through Building Homes for Heroes for severely wounded veterans, completely debt-free."

In addition to the homes, the business donated \$50,000 to the Seventh Group Special Forces to create a memorial wall of their fallen soldiers and gave funds and expertise to a local middle school to build a new baseball field house. "As a former coach, I know how much these kids will appreciate having a space like this," Randy says. "The plans are drawn up and we are about to get started."

Having a strong banking relationship with Progress makes this all possible. "We have continued to work with the same bankers for a long time," he says. "They know us, understand how we work and made the PPP process quick and easy."

As the company continues to develop on the beach and in other areas on the coast, one thing remains front and center—stewardship. The words Randy has chosen for his company: time-tested, relationship-driven and stewardship-focused tell the true story. "We believe this for our homeowners and suppliers and maintaining those relationships," he says. "These are the standards that we live by daily."



Ann Marie Harvey is Vice President of Communications at Vertical Solutions Media. She specializes in creating dynamic copy that is both genuine and compelling. Editing the written word is her passion.

Manufacturing the American Dream:

Lee Precision Machine Shop, Inc. (LPM)



Photography courtesy of Gin Johnson



By Ann Marie Harvey

In 1971, Sang Bok Lee had a dream of leaving his native country, South Korea, to come to the U.S. After his sister married an American soldier, he was given an invitation to immigrate. Without speaking English, he left his wife behind, made the journey and settled in Huntsville, Ala. In order to bring her to the country, Sang Bok worked tirelessly at multiple jobs, including washing dishes.

"My dad was in the Korean military and had construction experience," says his daughter, Gin Johnson. "He was always a master craftsman and learned many of his skills on the job."

All four Lee children were born in Alabama and grew up understanding the benefits of hard work. In 1977, Sang opened his business, originally called L & L Precision, with a partner. When his partner moved out of state, Sang Bok carried on alone and renamed the company Lee Precision Machine Shop, Inc.

ATHENS, ALABAMA

GROWTH AND CHANGE

His first 800-square-foot shop opened in Madison, Ala., where Sang Bok got his start with the U.S. government military, contracting for spare machine parts. Over the years he kept building on to the physical space until it had grown to 10,000 square feet. When the company grew out of that, they moved to Athens, Ala., to a 40,000-square-foot plant.

Gin remembers all the iterations of the company and spent a lot of time on-site as a child. "Dad put us to work putting stickers on bags of parts on the living room floor, a job I absolutely hated," she laughs. "We saw him work 16 hours a day, seven days a week. He taught us the value of hard work."

Lee Precision Machine Shop, Inc., is a manufacturer for the U.S. Army, Air Force and Navy and builds thousands of spare parts, including those for the M1 Abrams tanks, naval ships, small arms and the

Sikorsky UH-60 Black Hawk helicopter. "We made a lot of spare parts for military equipment—land, air and sea," Gin explains, proud say that LPM is a top five military rated supplier.

Once at the University of Alabama in Huntsville, Gin studied foreign language international trade and was trilingual, speaking English, Korean and Russian fluently. "Even though I was born here, I began kindergarten without knowing English because my parents didn't speak it at home," she says. "My dream was to work in intelligence for the CIA."

Several years later, Sang Bok was ready to semi-retire and told his daughter of his intention to sell. "My first reaction was, 'No! You can't do that,'" Gin recalls. "So I joined the company in 1999 and things have changed rapidly in the almost 25 years that I've been here."

MODERNIZATIONS

One of the first things Gin did was install a computer in the office and upgrade the way things had been done. "My dad's lack of English never let him prosper to the next stage of the business," she says. "I had the aptitude and business background to take it over and begin increasing our sales each year."

She realized her parents had no health insurance, so she got things situated for them personally and for the company. "It was a lot of hard work at first, but my husband and I didn't have children yet, so it was a good time to get on board," Gin says.

Sang Bok insisted his daughter experience every facet of the business, so Gin learned how to run the machines, understand the manufacturing process, read the technical data, program CNC equipment and understand the testing and quality assurance requirements of the business. "There are a lot of acronyms in this industry with many changing parts and with quite a learning curve," she says. "I'm still very hands-on and learn something new every day."

In the machining industry, equipment changes frequently and the company relies on their relationship with Progress Bank. "We have been with the bank since the beginning and love working with Clint Kirkland, Melody Burke, Teresa Wallace and the rest of the local branch," Gin says. "It's valuable that I can call someone and they recognize my voice. Having that personal relationship is so important to me."



ALL IN THE FAMILY

Once she became CEO and president in 2003, Gin established LPM as a small, minority, woman-owned company. She is definitely not alone as she has many family members on board to assist her. Husband Michael Johnson takes care of their Accounting and HR needs, while her brothers and two uncles are on staff. After Sang Bok's full retirement, Gin also brought in a partner as COO, Stevon Cantrell, who worked with her dad in the 1980s and was the only other person he trusted with his company. He knew with Stevon's master craftsman skills and Gin's business background, they would have a great partnership and continue to grow the business. And even though he is now 83, Sang Bok still comes to the plant and helps out when he can.

"I feel so fortunate that I get to work with family, I have a great partner and am blessed to have grown the company to where it is today," Gin says. "My dad built a foundation that I would never have done on my own. The American dream takes a while, but it is there for anyone who wants it and is willing to work hard for it."



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BRANDING THE FAMILY NAME

By Bethany Meadows

Since the surname became popular in the 11th century, society has developed a strong attachment to the family name. The original purpose was to help distinguish people from one another. Apparently, you can only know so many people named William or Richard before it gets confusing.

For most, it becomes an integral part of our identity and carries with it deep personal, cultural and familial connections. It's not surprising that many business owners use their name as part of their company's brand.

IS BRANDING YOUR FAMILY NAME A GOOD IDEA?

For you, it might feel perfectly natural to have your family name serve as your brand. After all, this is a family business, and it was probably established with the idea of being passed down from one generation to another. One can argue that a family name is more trustworthy and personal since you've literally put your name (and reputation) on the line.

However, there are a few potential downsides to consider. A family brand can be an advantage in a local market, but if your business grows beyond the local community, you may be limited by a perception that you are "small." If you have a common name, you may have a challenge in trademarking it if someone has already registered a business with a similar name. And while we don't go into business thinking about a public relations snafu, it can create a personal connection to you if something negative happens.

LEVERAGING THE FAMILY PART OF YOUR BUSINESS TO CREATE A POWERFUL BRAND STRATEGY.

Creating an effective brand strategy is a way for a family business to set itself apart from larger corporate competitors. A strong brand is a way to communicate what is special about your business and enhance your credibility and likeability.

Here are four strategies to consider when developing a family business brand.

1. Local Relevance. Your tie to the local community is a powerful differentiator and something that sets you apart from larger competitors. There is a strong movement to support shopping local, and as a family business, you should be included!

ACTION: Emphasize shared history and values in your brand narrative. Highlight all the ways your business supports the community and aligns with its values.

2. Dependable. Customers like things that are dependable—whether it's products or services they can count on, or a business that will stand behind what they offer. Loyalty is earned when a customer trusts that the business will be there to answer questions or solve problems. Family businesses are often seen as more trustworthy.

ACTION: One of the pain points many customers experience with faceless companies is non-existent customer service. Your brand story, or even a slogan, should demonstrate your long-running duration or your commitment to your customers.

3. Multi-Generational Expertise. A family business that is operated by multiple generations has an advantage of different perspectives. From a customer viewpoint, this shows that you are equipped to understand the needs of their entire family.

ACTION: Incorporate "we understand because" statements into your brand narrative. By keeping it sincere and genuine, you'll position your business as relevant.

4. Personality. A brand has personality and should reflect your company's mission and values. As a family business, the brand personality will naturally reflect your family's values as well.

ACTION: Don't hesitate to let the personality of individual family members shine through. Do your customers love Uncle Ed's corny jokes? Add them to the menu or catalog. Use your imagination to share your family's unique dynamic to the world.

TELLING YOUR BRAND STORY.

Stories are powerful tools for a family business. A good brand story will instill pride in the next generation, motivate employees to be part of something bigger than themselves and create a personal connection with your customers.

Storytelling is so powerful it's been shown to be a key element for a family business succeeding beyond the first generation.

Here are a few things to consider as you prepare to write your brand story.

- What is the story behind the founding of the company?
- Why was it started and why does it continue? Not just what you do, but why you do it.
- What are you passionate about? What matters to the company?
- What customer problems are you solving? And why do you solve them that way?
- State your mission and share a testimony of how you fulfilled it.
- What's your vision for the future and why should it matter to the customer?

RECORDING THE LEGACY.

Beyond just the brand story, there is the historical account of the business that should be recorded for future generations.

1. Start with collecting all the stories of the company's founding. Find out the reasons behind the important decisions. What are the major milestones? Interview family members and key employees to extract all the great details about the company's history.
2. Decide how you wish to record it. Make a video, write a book, keep a scrapbook, etc.
3. Appoint a Legacy Keeper to safeguard and continue to record the company's story going forward.



Bethany Meadows is the owner of Vertical Solutions Media, Inc., a full service marketing agency specializing in brand storytelling, content marketing and creative growth strategies. She is also the owner of Time to Thrive, online marketing training, resources and coaching for small business owners. Find out more at www.timetothrivemembership.com.

KEEPING THE TANK FULL:

Clark Gas Company



By Ann Marie Harvey

FLORENCE, ALABAMA

If you own a gas grill in Alabama, chances are you have used a Clark Gas Company product. As of 2020, the company was the largest propane cylinder distributor in the state. The next time you exchange your 20-pound grill bottle at the local convenient store, check the label—it's probably Clark Gas.

From the time he was a child, Kent Clark knew he would join the family business. After all, he had been around it his entire life, riding on delivery trucks, painting tanks or cutting the grass. "I tried to take every step my dad did," he says. After graduation from the University of North

Alabama in 1992, Kent joined his father, Jack, at the company he established in 1972.

You can hear the passion in both men's voices as they relate years of memories about their journey. "I understand my place and Dad built such a strong foundation for us," Kent says. "We have a deep, vested interest in the business—we are better together."

GASSED UP AND READY TO GO

At the beginning, Clark Gas catered to commercial accounts and home heating, with bulk propane orders

driving their business. "Rural areas use propane for home heat," Jack explains. "It's a cheaper, cleaner, warmer fuel than an electric heat pump."

Although Clark Gas grew, the majority of change occurred in the last 20 years. "We started with just one location. We grew that into 18 retail locations in three different states and 152 employees," Jack says. "With Kent here, we had the opportunity and time to expand the company." Four years ago they sold their retail stores and invested in the cylinder exchange business, now operating in five states throughout the Southeast.

In 2016, the company built a new, fully automated plant in Florence to refurbish and refill cylinders—those 20 pound grill bottles—along with large forklift cylinders. Since then, they opened additional distribution centers in Wetumpka, Tuscaloosa and Snead in Alabama and one in Cedartown, Ga. "All the cylinders are filled in Florence and then trucked to distribution centers before being delivered to the end user," Kent explains. "We cover several thousand convenient and grocery stores with our 70 current employees."

Clark Gas prides itself on quality first and foremost. "The only thing that sets us apart from our competition is our service," Jack says. "We make sure we have the best products out there."

This is evident by how they track certification for their forklift cylinders. "In the gas industry, you're not compliant if you have an out-of-date cylinder," Kent explains. "Our plant is mostly automated, so each cylinder receives an RFID tag that is scanned. If a cylinder is due to be re-certified, it is easily taken off the production line and inspected before it goes back on the line."

A PARTNER IN GROWTH

Clark Gas has worked with Progress since the bank opened. "We have known Andy Mann for many years and have a great relationship," Kent says. "Progress gives us that personal touch. Anyone else there can answer my questions or discuss our future plans."

One opportunity came in the form of a trucking division, Blue Goose Transportation. After struggling to find drivers during two particularly cold winters, the Clarks decided it was time to expand in another direction. "We do several things—we haul our own propane, enabling us to control the whole supply chain," Kent says. "Tankers go to the pipeline and load up with gas and we use trucks to

deliver to distribution centers. We also are a public 'for-hire' transportation service."

The company recently invested in technology to streamline their processes, from utilizing robotics for palletizing and painting cylinders to adding another production line. "The new line has automation far superior to our other ones, allowing us to triple our output and add 15,000 square feet to the plant," Kent says.

The fuel for that growth was actually a result of the COVID-19 pandemic. People stayed at home more, added fire pits and gas grills, and restaurants began using more patio heaters. "Demand exceeded what we produced and there was a lot of overtime just to meet it," Kent explains. "We see this trend continuing, so that led to this investment."

PASSING THE FLAME

Although it was a natural fit for Kent to work with his dad, Kent will let his own sons decide. Jackson is a senior in high school and is looking at colleges, while 13-year-old Jamison is in the eighth grade. "They come to the office to take care of the grass," Kent says. "Both have expressed an interest in joining the business, so we'll see."

For Jack, it's something special to have a business to pass down to future generations. "Kent and I have never had a cross word," he says. "His ideas are as good as mine and when you compromise you come out as close to right as you can." With no plans to retire, Jack enjoys taking time off when he wants. "When you are building a business, you can't leave it. Now that the company has matured, I know Kent has everything covered."

Kent says his dad still brings excitement to the business each day. "He is always looking at how to do things better," he says. "He enjoys watching our business accelerate and thinking about where it will be in five or 10 years down the road."



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Filling Big Shoes Beautifully:

Scott Davis Chip Company



Photography by Ann Marie Harvey



By Ann Marie Harvey

Brett Davis didn't have plans to follow in his dad's footsteps. He was a baseball player who played collegiately and then professionally for the Nashua Pride in New Hampshire for a year. Upon returning to Alabama, he became the head baseball coach at Marion Military Institute, a position he held for four years.

FROM HITTING TO CHIPPING

In 2009, Scott Davis was diagnosed with a rare appendix cancer and suddenly everything changed. "I had never thought about working at the company until Dad got sick, even though I grew up around it," Brett says. "He did such a great job with it and was so young, I thought that was in the future."

After major surgery at MD Anderson Cancer Center in Houston failed to remove all the cancer, Brett and his wife, Kelley, returned to their hometown of Brent to care for Scott while he underwent chemotherapy. Since his

BRENT, ALABAMA

father's untimely death at age 58 on Christmas Eve 2011, Brett has been leading the way with the business his dad founded in 1989.

Well-known in Bibb County, Scott was extremely involved in the community during his lifetime. "Dad was a major presence here," Brett shares. "Stepping into those big shoes was difficult. People want to compare you, but you have to be your own person."

Scott was also one of the original shareholders of South City Bank in Birmingham, which was eventually renamed First Partners Bank and then merged with Progress Bank in 2017. Throughout the many changes, one thing has remained constant—the relationship the company has with the bank. "I have always appreciated the relationship we have with people at the bank," Brett says. "A lot of other banks have tried to come in and swoop up our business, but when we need help, Progress is there when we need them, especially during 2020."

RISK AND OPPORTUNITY

Originally the owner of a small sawmill in Brent, Scott made the switch to a single spot market chip mill. "The market was beginning to grow exponentially during the late 1980s," Brett explains. "It was an opportunity and a risk at the same time."

Chip mills are a cost-efficient way to meet the growing national and international demand for wood pulp and paper products. Chipping processes can utilize trees of all sizes and most parts of trees. It also contributes to salvage logging of wood resources that would otherwise be non-useful.

In 2009, having outgrown their original office, Scott built a new office on 1,300 acres. Six hundred of those acres are home to Davis Whitetails, a deer farm that began as a hobby but became a business when the feed bill got high. Twenty acres house the chipping facility itself while the rest of the acreage provides some of the wood for chipping.

Since Brett's involvement in the company began, everything has changed. With the opportunity to expand into contract chipping, Scott Davis Chip Company now runs chip mills for other companies as well. "Most of our expansion has been in that area after receiving our first chipping contract in 2017," Brett says. "We went from one location to 11 in the last four years." With seven sites in Georgia, two in Alabama, and one in South Carolina and Kentucky. "Our locations will not be around major cities



but will always be in rural areas," Brett says. "Timber grows in the forests around each facility, so we are able to buy the wood from local wood baskets within a 50-mile radius from the mill."

WOOD PULP IS EVERYWHERE

There are different grades of wood, with logs going to sawmills for lumber and the smaller stuff coming to the chip mill. Pine and hardwood trees make different products in the paper making process, from toilet paper to sausage casings to television screens. "Anything that is super clear is made from wood pulp, like phone screens," Brett explains. "When the wood comes into our facility, we debark it and then it goes into our chipper to make 1.5-inch squares."

The wood is separated into piles of pine or hard wood and then trucked to paper mills where it is cooked and made into a product. From food grade boards used by fast food restaurants to Amazon boxes made in Prattville, wood pulp is found in a dizzying array of products we use every day.

Business was affected greatly by COVID-19, but thankfully things have turned around since last year. "Our biggest market is Selma, where they make white copy paper," Brett explains. "When schools shut down and people stopped copying things, the market tanked for a while." With 90 employees throughout the company, Brett is looking to continue to expand wherever doors open. "My ultimate goal is to be faithful to what I've been given," he says. "Eventually we will pass it down to the next generation."

Although Kelley helps out occasionally at the office, her biggest task right now is raising their two children, son Channing, who is six, and daughter Marlowe, who is four. They will grow up around the company just as their father did, more than 30 years ago. "If I had to describe my dad, I would say integrity—he was true to his word," Brett muses. "I hope to continue to follow the ideas and foundations he laid down while being my own person."



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GROWTH STRATEGIES FOR FAMILY BUSINESSES

By Bethany Meadows

Every business faces its own set of challenges when trying to go to the next level of growth. However, growing a family business has some unique pros and cons that present both advantages and drawbacks. That is why only one in three family businesses survive to the next generation. When a family business looks to grow, there is a stronger tendency to pull together, work harder and longer and do whatever is needed to see the company succeed. Family businesses can often make decisions more quickly because of the high-trust environment. That provides the ability to quickly pivot to take advantage of an opportunity.

On the other hand, as the business passes down from one generation to another, the company can become set in traditional ways of doing things. It can often feel like change is being disloyal to previous generations and their wishes. This can lead to a resistance to hiring non-family members out of fear it will change the culture or the way things are done. This resistance to change can be very detrimental to growth.

Ten Ways to Successfully Grow a Family Business

1. **Take an inventory of current operations.** Before you move forward with any plan for expansion or growth, it's important to take stock of your current operations. Do you have the right processes in place, and will they scale as you grow? As with anything that is built, a foundation is essential to ensure a strong and long-lasting company.
2. **Make a growth plan.** Having a desire to grow or a great idea is not enough. Before you take a risk, spend money or allocate resources, you need to start with a business plan. Determine the impact to your financials, resources that will be needed, strategies for marketing, your competitive differential, impact to current operations and establish benchmarks so you can evaluate progress at regular intervals. Know where you are now, where you want to go and outline the actions you will take to get there.
3. **Get everyone on board.** Even if you are the head of the company, it's important that you have the support of everyone involved in the family business. Charging ahead without getting buy-in could plant the seed for resentment. Communicate the plan for growth and discuss why growth is important to the long-term success of your business. There are many more emotions involved with family businesses, so it's important to be transparent with your growth plan.
4. **Don't lose sight of family and company values.** As you move forward with growth, it's important not to lose what matters to your family business. Be intentional about identifying your family and company values and ensure they are incorporated into your brand identity as you grow.
5. **Hire people who share your values.** The time comes when every family business must hire a non-family member to support the company's growth. Your new employees must not only be competent to

do the job, but they need to share your family and company values.

6. **Manage metrics.** What is measured will drive results. Goals need to be simple, attainable and measurable. There is a need for strong accountability in a family business. Accepting excuses for mediocre performance will not result in a healthy company. Keeping goals and results transparent will ensure everyone stays focused on the right priorities.
7. **Build a growth culture.** By establishing a company culture that is committed to growth, you can remove the fear of change that can cripple a family business. A growth culture drives a company to be competitive through developing new products and services, delivering a next-level customer experience and highlighting the importance of profitability.
8. **Make yourself redundant.** For a family business to expand, things need to run smoothly without you or other family members. For this to happen, you need to build a succession plan. Create systems that anyone can follow for key tasks, then empower your existing employees to make those decisions and follow those systems. If you don't have a general manager in place, this is the time to do so. Once your business can function without you, additional locations can open without you needing to be on-site.
9. **Be willing to build slowly.** It can take a family business years or even generations of hard work to thrive. Once you decide to grow and expand, be prepared for that to take some time too. Whether you are opening new locations, creating a franchise or adding new services, each step of the process takes time, especially if you want to preserve the legacy of the original business.
10. **Hire thoughtfully.** No matter if you are a seasoned recruiter or if it is your first time hiring someone outside the family, be thoughtful and careful about who you bring on to your team. Each new hire should represent the values that define your business. Don't be afraid to turn away qualified candidates who don't feel like the

10 WAYS TO BALANCE THE UNIQUE FAMILY BUSINESS DYNAMIC

1. Boundaries – leave work at work.
2. Communication – set weekly meetings to air differences.
3. Roles – establish job descriptions and assign tasks.
4. It's business – treat it like a business.
5. Be fair – avoid favoritism and set consistent standards.
6. Put it in writing – be clear on what family members get from the business.
7. No skills, no job – don't be the last resort employer for family members.
8. Get outside perspective – seek guidance from outside advisers.
9. Succession plan – outline how and when the business will pass to the next generation.
10. Send kids elsewhere first – five years of business experience will provide a valuable perspective.

right fit. When your name is associated with the company, employees represent your family and the history behind your work.



Bethany Meadows is the owner of Vertical Solutions Media, Inc., a full service marketing agency specializing in brand storytelling, content marketing and creative growth strategies. She is also the owner of Time to Thrive, online marketing training, resources and coaching for small business owners. Find out more at www.timeothrivemembership.com.

Progress Looks Like

Building Your
Resources
For Business
Success



 Member
FDIC
NMLS# 401921

Birmingham	Inlet Beach
Daphne	Jones Valley
Decatur	Madison
Destin	Santa Rosa Beach
Florence	Tuscaloosa
Huntsville	Vestavia

 **ProgressBank.**
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Strength In Numbers

\$1.47 Bil
In Deposits

13 Years
In Business

12
Locations

2 States

5
Stars From
BauerFinancial

\$1.66 Bil
In Assets

\$1.22 Bil
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