



## THOUGHTS FROM THE EXECUTIVE BOARD

### PIECING TOGETHER A BETTER COMPANY

Somewhere between the political rhetoric with which we've bombarded lately and our recent "survival" of the latest recession, hangs a reminder that multi-faceted, strong-willed companies with dedicated employees and a collaborative spirit not only survive but prosper in the face of adversity.

The simple fact that you are reading this now indicates that you are a survivor. Take a moment and try to recall the reasons you are still in business today. Many defeated manufacturers gave in to the hard times by laying off workers, slashing pay and benefits, eliminating investments in their businesses and, worst of all, sending their work overseas to reap a short-term profit.

The true reason for companies' success and sustainable viability lies within their workforce. American manufacturers have long touted technological advancements that have led to increased efficiencies that enable them to compete against significantly lower labor costs and tax burdens that foreign competitors enjoy. Although technology has advanced, it still requires skilled and dedicated employees to utilize these tools and apply it to your product. You can have the most modern and high-tech machine tools in the world, but you will never succeed if you don't have a loyal, skilled and energetic workforce that truly wants your company to be successful.

Think of the Big Red Machine of the 1970's. They had some star players, but there were 25 guys on those teams. They also had the SAME 25 players year after year. As a fan, I knew the names of every player on those teams and every year the same ones were there and fans developed a type of bond and became loyal to the team. This consistency (and fan loyalty) no doubt led to their success. Now look at the baseball teams of today. Players change every year, "hired-guns" take the place of home-grown talent and teams spend vast amounts of money to try to buy success. Not only are these new teams inconsistent and only successful short-term, but their loyal fan bases have withered away and attendance is falling year after year.

Now apply this logic to your company. Manufacturers that have a stable and dedicated workforce breed a loyal "fan base" in the form of customers that continue to give you their business. Building a collaborative spirit and loyalty among your workforce is paramount to the long-term success of your company.

When times get tough, the easiest thing to do is to reduce workforce. Think of the ramifications of this action. If employees know that at the first sign of impending downturn they will be scuttled, they have no sense of dedication and will always be looking for a company that appreciates them and will do everything they can do provide them a stable place of employment. Companies that show their commitment to their workforce will always be rewarded. If employees realize that you are doing everything you can to maintain their lifestyle and give them an opportunity to continue to provide for their families you'll have a dedicated employee for life. This dedication and commitment to the success of your company breeds more dedicated workers as your business expands, and soon you have a collaborative team of employees that will always be successful no matter what roadblocks our Government or foreign competitors throw at us.

**Robert Hale**  
*Auto-Valve, Inc.*

# Business Matters...

**Prepare Yourself to Run and Own the Family Business** by *Thomas A Myers and Thomas M. Chiappetti*

Children of family business owners often ask what they can do to prepare themselves to succeed the previous generation and convince their parents to allow them to assume management and control of the family business and, eventually, acquire a controlling interest in the business.

No matter how mature and well qualified the younger generation is, it is difficult for the older generation to accept that their children have reached the level of preparation, personal growth and maturation need to assume control of the business. This is exacerbated when the bulk of the value in the parents' estate is tied up in the family business. Change of control is delayed again and again. The parents remain in day-to-day affairs of the business and the younger generation is unable to take over. This can be particularly frustrating when they see their peers succeed and grow professionally in their careers or family businesses while they are left behind.

One real-life solution we have seen was a family that took action by "grooming" both the parents and the son for a succession in management from the father to the son. Dad is the typical hard driven entrepreneur who started with a relatively small business and, primarily through his leadership, built it into the very successful enterprise it is today. Mom, while not involved in the business itself, is the family's chief emotional officer.

Mom and Dad live quite comfortably and require significant resources to maintain their three homes, belong to two country clubs, travel the world and care for their family. Dad dreamed of "turning the company over" to his son one day, but feared that if his son were not successful, the company's earnings would decline and result in a reduction of the cash flow he and Mom needed to maintain the lifestyle they had worked so hard to build. He also feared that the company's value might decline, leaving them without enough resources to fund their retirement.

The son loved the business and had a college degree in history, but when he joined it years ago, he was only 26 years old and had not taken any additional steps to prepare himself for leadership other than a few years of employment in a management training program with another business in town. However, he shared his father's dream of becoming the company's CEO and eventually its majority owner.

In order to prepare themselves for the desired succession, Mom and Dad took two key steps:

First, Dad, who wanted to spend less time working in the business, hired a talented manager to serve first as the chief operating officer of the business and eventually as its president and CEO. This professional manager had significant management experience at a Fortune 500 company and an MBA from a well respected business school. The plan was for the manager to serve as president of the family business and build a strong management team. The manager became the son's supervisor and, as a result of this step, son had the benefit of guidance from a non-relative with a great business background.

Dad also had the chance to grow comfortable over time with someone else in control of the family business on a day-to-day basis. Why was this important? Because, as he put it, "I realized that the key was not to find someone to run my business who made the same decisions as I would make (since that's impossible), but instead to find a manager who makes informed decisions that are reasonable under the circumstances." With time he ceded more and more daily management control, but remained involved enough to monitor what was going on. Dad also recruited a talented board of directors to help manage the business. The son, of course, attended all of the Board meetings, but as an observer since he had not yet acquired the skills and experience to warrant full membership. However, the arrangement gave him the valuable opportunity to observe and learn from great business leaders in action.

As a second step in their efforts, the parents embarked on a path of building outside wealth and freeing themselves from the risks of providing lender guarantees. They structured the business to allow it to pay dividends, which they invested to create substantial outside wealth to fund their retirement. They made sure that the business was managed so that it could operate without personal guarantees from them. Being free from dependency on the business and the risk of providing guarantees to lenders mentally positioned the parents to begin the transfer of the business' management to the son as soon as he was ready, and it allowed them to begin transitioning ownership to the son immediately through various gifting and other strategies.

The son, in turn, took several concrete to prepare himself to assume the leadership of the business. First and foremost, he invested in learning the business through Board participation, mentorship under the company's professional management team,

attendance at trade association meetings, extensive reading of industry publications, and working at a variety of jobs in the business. In particular, he got his “hands dirty” working on the plant floor and out in the field with the sales team. He also joined a business support group comprised of 11 other sons who shared their experiences in preparing themselves to run their family businesses.

He enrolled in a well-respected executive MBA program, which allowed him to continue to work on a day-to-day basis in the business, while at the same time adding to his financial and management knowledge and skills. He had proved himself by his dedication and performance and gained the confidence of the other members of the management team and the Board, as well as that of his parents.

By the time he reached his late 30s, both he and the company were prepared for him to assume leadership. The parents were positioned financially to take the now modest risk of turning control over to their son. He had in place a management team and a Board of Directors that provided on-going support.

The son has run the company successfully for years, but continues to enhance his leadership by using the resources that made him successful. He works with a mentor, belongs to a support group, is active with his industry’s trade association and regularly attends industry educational programs.

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## Federated's Field Production Underwriters' (FPUs) "Personal Touch"

### Three Touches...

During the past decade, we've learned our approach is most effective when FPUs provide a "personal touch" to prospects on three separate occasions prior to the marketing representative asking for the sale. These "three touches" are individual, face-to-face calls made jointly with a marketing representative and the business owner.

The first of these three visits is the operations call. During this meeting, the FPU asks underwriting questions to determine if the prospect is an acceptable risk. The second visit is a team cultivation call. This call often includes a risk consultant and focuses on specific, meaningful reasons why the business owner should buy from Federated. The final visit is the sales proposal. During this meeting, the FPU participates at the direction of the marketing representative. Because it generates proven results, this "three touch" approach has become a core element of the FPU Business Plan.

## Is Your Business Communications Strategy Battlefield Ready?

By Miranda Bouldin, LogiCoreHSV

When ground forces are on the move, or fighter jets take to the air, they remain in real-time contact with their direct commander and upward through higher levels of command to produce precise results. These clear lines of communication, though they involve different people, hierarchies and systems, are the core of mission success.

For businesses, when these lines of communication become disconnected, the result is improperly filled orders, missed expectations, boardroom surprises and customer dissatisfaction. By creating a system of clear communication tactics in your business, you can increase the number of your company's "mission successful" operations.

The keys to a successful business communications strategy are:

1. **Strategic Communications Plan**—A comprehensive strategic communications plan is crucial in order to strengthen a company's corporate identity and elevate awareness of diverse capabilities and services. Develop a plan with various communications tactics that will enhance and increase positive awareness of your corporate profile. A customized corporate communications plan will increase growth and success for both current and future pursuits. Communication tactics and strategies might include targeted advertising, public relations efforts, community outreach/donations, trade show and job fair activity, social media practices, internal communications tools and external communications projects. Implementing these

communication tactics will create a strong corporate image, expand local, national and international awareness, and generate multiple-level media coverage. It also is important to note that your strategic communications plan should constantly evolve as to accommodate trends in the ever-changing business market.

2. **Message Architecture**—Key messages are developed through research of company's products/services, position and targeted audiences. With repeated presentation, key messages ensure dissemination of clear, consistent and compelling information through all applicable communication channels.

Your company's leadership team should conduct "off-sites" on a regular basis to focus and plan on your future. This will allow your key decision makers to strategize, brainstorm and reflect on the state of the company. Developing mission, vision and value statements are crucial, and this will provide the added benefit of strengthening your image and corporate identity for business through effective key messaging.

3. **Internal/External Communications**—An organization needs to focus an extensive amount of time and effort on both internal and external communications. For companies that have displaced employees, internal communications is a crucial and vital function.

Keeping your employees connected is very important, regardless of physical boundaries. Develop and implement communication tools, such as an employee intranet, newsletter, e-mail marketing and social media to stay connected

with employees, customers and potential customers.

4. **Media Relations Strategy**—One of the most important needs of any organization is the ability to maintain a powerful image in the marketplace through positive channels of communication for targeted audiences. A media relations strategy is an excellent tool to promote your company, elevate name recognition and create “top of mind” awareness with current and potential clients. A major initiative is to secure media coverage; this adds credibility to your products, services and capabilities. To amplify media exposure in your key markets, try connecting current trends in your industry to the programs and services your company offers.

A communications strategy can be used as a reference for positioning activities in order to

increase awareness, interest and credibility with your targeted audiences. This will help propel your company to the forefront of your industry and will further position your company in the public consciousness. This also will provide a positive representation that is warm and receptive to embrace, rather than cold and indifferent.

Use these strategies and tactics outlined above in order to create a personal “blueprint” communications plan that clarifies and defines your company’s vision and values. An organization will not succeed without specially crafted and well-executed communications efforts. By defining these clear lines of communication, your business will be ready to face the battlefield of acquiring new customers, and keeping employees apprised of critical information so that your business can report “Mission Successful.”

*Miranda Bouldin is the founder and CEO of LogiCore HSV, a rapidly-growing and leading technology and solutions company with worldwide technical services support capabilities and experience in defense, aerospace and government agency support. For more information, please visit [www.logicorehsv.com](http://www.logicorehsv.com), or contact Corporate Relations Director Rachael Fears ([rfears@logicorehsv.com](mailto:rfears@logicorehsv.com)).*

The preceding Business articles have been copied from the NTMA September 2010 issue of The Record



# Register for the November Dinner Meeting

**...and meet TTMA Member, Bill Neyer from American Testing Services who will discuss Non-Destructive Testing related to Metalworking Processes.**

American Testing Services started with the belief that **Quality, Customer Service, and Delivery** would distinguish their company, and those beliefs still drive them every day.

ATS is a small testing facility in Dayton, Ohio. They offer their customers more personal attention and a total focus on their needs.

They provide testing services to the aerospace, amusement park, automotive, commercial fabricating, foundry, manufacturing, and military industries; and every testing method that is performed in their lab can be mobilized to the field.

ATS offers Level III services in Magnetic Particle, Penetrant, Ultrasonic, Eddy Current, Visual, Radiographic and ACFM Inspections.

They have over 75 years combined experience in the NDT industry.

**DATE: Monday, November 15, 2010**

**TIME: 6:00 p.m.**

**WHERE: Blue Ash Embassy Suites - Redwood Room**

**Register by no later than 5:00 p.m. on Thursday, November 11, 2010 to ensure your choice of dinner entrée**

## 2010 TTMA Calendar of Scheduled Events

**November 15, 2010      Monthly Meeting – Bill Neyer, American Testing Services – Non-Destructive Testing**

**December 13, 2010      Monthly Meeting – Christmas Program & Special Tribute to John Cozad – Recently Retired Board and TTMA member**

**Except where otherwise noted, meetings will be held in the Redwood Room at the Embassy Suites Hotel in Blue Ash:**

**4554 Lake Forest Drive  
Cincinnati, OH  
513/981-3763**

**Monthly Meetings are suspended from June through August and will resume in September, 2010**

## Workers Compensation – Ten Steps Business Plan for Safety Step Ten

Good recordkeeping is vital in improving health and safety performance. Accurate and detailed records outlining why accident happened, what process or system needs to be changed to eliminate or reduce the risk of injury and how to make those changes are the goal of this step.

What you can do:

- **Develop Accident Trends** - Review your First Report of Injury Forms (FROI), OSHA 300 log or worker compensation reports to identify trends or clusters of injuries. Look for repeated incidents in a particular department or specific types of injuries (such as cut hands) that are occurring. Use this information to identify opportunities to improve your safety and health process by focusing on these key areas. Develop an Action List that outlines the problems, how to correct it and who is responsible for correcting any problems.
- **Establish and Track Leading Indicators** - Track your proactive safety activities, e.g. number of safety audits completed, number and types of safety training or discussions, or number of near misses investigated.

All of this information is valuable in improving the safety culture and performance of your organization.



## Thanksgiving—An American Holiday

**"Thanksgiving is an emotional holiday. People travel thousands of miles to be with people they only see once a year; and then discover once a year is way too often."**

**~Johnny Carson ~**

**"Thanksgiving dinners take eighteen hours to prepare. They are consumed in twelve minutes. Half-times take twelve minutes. This is not coincidence."**

**~ Erma Bombeck ~**

**"It took me three weeks to stuff the turkey. I stuffed it through the beak."**

**~ Phyllis Diller ~**

**"Not what we say about our blessings, but how we use them, is the true measure of our thanksgiving."**

**~ W.T. Purkis ~**

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**The TTMA mission is to be the best metalworking and manufacturing trade association with comprehensive information resources for its members and interfacing with community partners.**