

When the baby is the family business
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Taking care of a family business is like taking care of a small child. Like a child, the business demands the time and energy of family members whose sole purpose is to nurture and care for it. When it is sick, family members think nothing of staying up all night, working around the clock to restore it back to health.

And like a child, it evokes strong emotions. When they talk about the business, family members are sometimes moved to tears of pride, joy and sadness.

Early on, the founders of the family business teach their children that the business is an extension of the family -- and treat it that way.

About 90 percent of all U.S. businesses are family owned or controlled, according to the U.S. Small Business Administration. They range in size from small mom-and-pops to Fortune 500 firms. Experts estimate these firms generate about half of the U.S. gross domestic product.

When a family business has survived beyond its founder, usually the company and the family have gone through difficult times, which could include divorce, death, company losses and sibling rivalries, among others.

The survival rate is low when it comes to transfer of ownership, says the SBA. About one in four companies make it beyond the founder.

Those that survive multiple generations are even more difficult to find. In Greater Columbus, Schoedinger Funeral Services is possibly the oldest family-owned business. Currently there are two representatives each from the fourth, fifth and sixth generations of the family involved in the business. All are men.

Reasons for low survival rate among family businesses include poor viability of the business, lack of planning, unwillingness to transfer ownership and lack of interest by children to join the company.

But the idea of succession planning doesn't always bring about warm and fuzzy feelings. Handing over the reins can be difficult. Some owners put it off until the last minute or avoid succession planning altogether. The reasons are as varied as the owners and their personalities.

If there were a book written on how to go about succession planning the right way, Crane Plastics would make a good model. Over the last decade, as more family members joined

the company it became necessary to have something in writing that stated exactly what the chain of events would be to carry the plastics manufacturer into the next century.

Another remarkable story is that of Rocky Shoes & Boots Inc. of Nelsonville, Ohio. Just last year the outdoor shoe and boot manufacturer went public, but only after a lengthy disagreement between father and son, John and Mike Brooks, about the best way to go forward.

Any entrepreneur can call a business family-owned. But those that stand the test of time, lasting into at least the second generation, are the ones that deserve the privilege of calling themselves family owned, said Ted Alfred, professor of management philosophy, who teaches a course in family business at Case Western Reserve University's Weatherhead School of Management in Cleveland.

Take, for example, the owner who has poured heart and soul into growing a company. The owner comes to identify himself as the company. A son or daughter coming up through the ranks with big ideas might be interpreted as a threat. At this point the founder could be reluctant to relinquish control of day-to-day operations or might pull out altogether with or without a succession plan.

This happened to Fred Ricart. One day in the early 1970s, his father, Paul Ricart Sr., decided enough was enough and went to Florida to retire. Paul had run the dealership since 1951 and it had never made much money. He told his son Fred, who had worked there growing up, that if he could keep the business going, he could have it.

Today, Ricart Automotive is the largest new car retailer in Greater Columbus.

Fred, now the co-owner of Ricart Automotive, likens the family business to a little beagle puppy. "You just want to make sure it has a good home," he said.