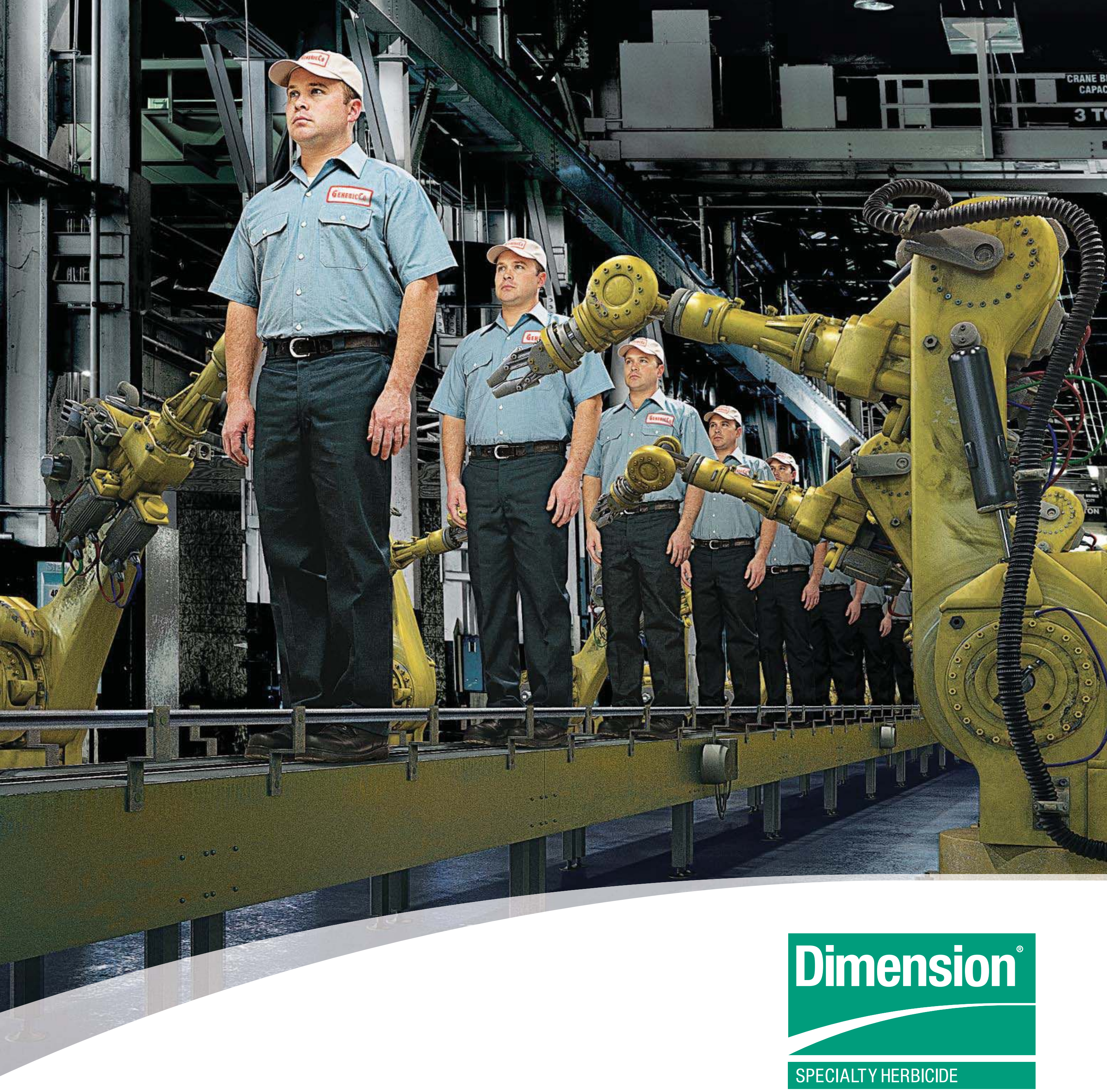

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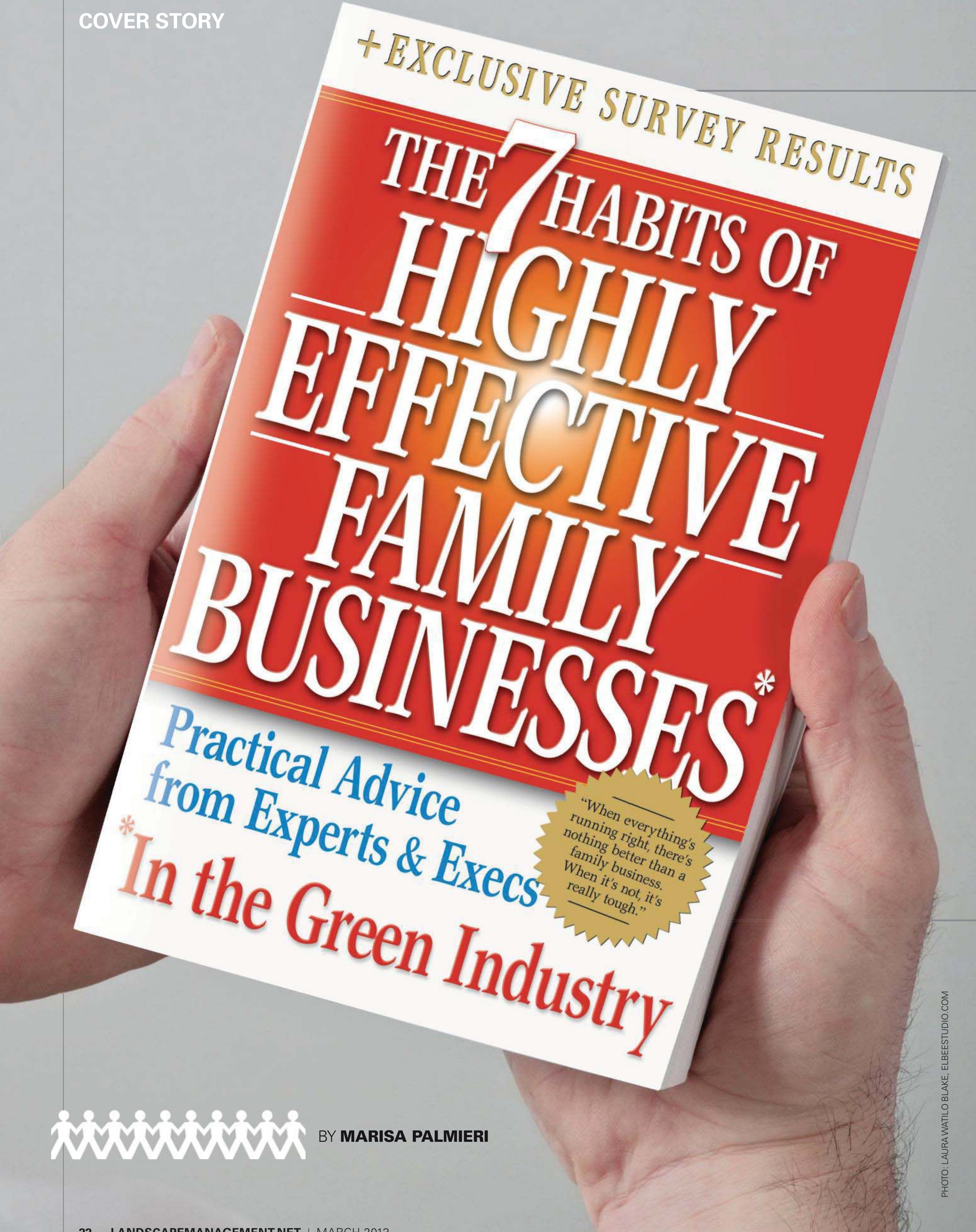



BY **MARISA PALMIERI**

PHOTO: LAURA WATILO BLAKE, ELBEESTUDIO.COM

"*When everything's running right, there's nothing better than a family business,*" says Paul Sessions, director of the University of New Haven's Center for Family Business in Connecticut. "*When it's not, it's really tough.*" Chances are, as a member of the Green Industry, you either own, work for, or have owned or worked for a family business at one point or another. In fact, more than two-thirds of respondents to the *Landscape Management* Family Business Survey, conducted in January, said they consider theirs to be a family business. Because family business dynamics can be so difficult and there's so much riding on them, we surveyed Green Industry professionals in family enterprises to find out their pain points. Next, we sought out family business experts and other landscape executives in the trenches to identify best practices. The result is this feature story—inspired by none other than Stephen Covey's iconic *The 7 Habits of Highly Effective People*, which has motivated so many business people since it was first published in 1989. **Read on for seven takeaways to better your business and your family relations.**

## HABIT 1

### Communicate clearly

"The failure to communicate well complicates everything," Sessions says. Healthy family businesses create situations so family members aren't afraid to communicate, he says. How? No. 1, they set up ways to communicate regularly. "One thing I see many family businesses not doing is meeting within the business other than on the fly or casually," Sessions says. "Sit down formally once a week."

At the advice of an executive coach, Eastern Land Management's Bruce Moore Sr. and his son, Bruce Jr., have been doing just that for about a year.

Each week they have an agenda, which is a shared file they both update prior to the meeting. In addition to going over day-to-day and operational concerns, the Moores incorporate mentoring into this time to train Bruce Jr. to lead the company forward.

"I put together a list of items, from financial aspects of the company to operations, that we try to touch on each week or in multiple weeks," Moore Sr. says. "For instance, we'll talk about cash flow, financial benchmarks and how to know what to look for."

Brett Lemcke, the heir apparent of R.M. Landscape, says paying attention to how you speak to each other is important. It's something his family's business learned the hard way. His father and uncle, a former business partner, had a "bad split," due in part to poor communication, he says.

"It was a difficult time for us from a family standpoint," Lemcke says. "Maybe in response to that, my father and I try not to put ourselves in that situation."

He says he and his father (who sometimes have "heated debates") learned the importance of talking through concerns constructively rather than yelling or avoiding problems.

## HABIT 2

### Define family members' roles

It's no wonder communication is challenging, says Matthew DiGeronimo, who runs a Honolulu-based mergers and acquisitions firm and hosts a radio show geared toward small and family businesses. Roles and job descriptions are often poorly defined.

"Often, we work with family businesses that have a difficult time describing who does what, who gets paid for what and how the business would be structured in terms of responsibilities and pay if they were not family," he says. Failure to define roles is problematic because it makes it difficult to create a foundation that supports growth and it creates complexity if or when the family wants to sell the business or bring on a partner, DiGeronimo says.

Kim Lewey of Lewey Landscaping & LawnCare and her husband and business partner, Mike, have found success by splitting up duties.

"You have to learn to separate responsibilities so you're not stepping on each others' toes," she says. For example, Lewey is a former bank senior vice president. Naturally, she handles finance and marketing, while her husband, a former grounds maintenance supervisor for a development company, oversees the crews and operations. Even families that don't have as clear-cut backgrounds can play to individuals' strong points, she says.

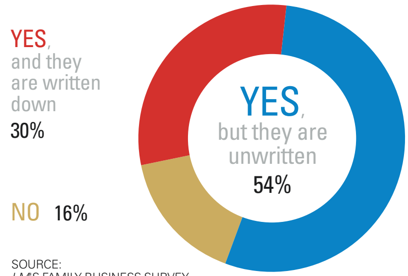
"You need to not only understand your limitations but also your strengths," Lewey says. "And know when to get help with areas that may not be your forte or your partner's forte."

## HABIT 3

### Have a solid succession plan

Nearly a third of *LM* Family Business Survey respondents named succession concerns as one of the top challenges of operating a family business (see chart on page 30). Sixty-nine percent have no succession plan at all (see chart on page 26).

**DO FAMILY MEMBERS IN YOUR BUSINESS HAVE CLEARLY DEFINED ROLES AND JOB DESCRIPTIONS?**




SOURCE: *LM*'S FAMILY BUSINESS SURVEY

Chris Senske knows first hand how the lack of a transition plan can cause stress among the younger generation. His parents are the founders of his company, Senske Lawn & Tree Care; he joined them full time in the 1970s, shortly after graduating from the University of Washington with a degree in chemistry.

Throughout his 20s, Senske frequently worked 60 to 70 hours a week with no overtime pay. His parents often called him at home after quitting hours about "seemingly unimportant" questions and issues. Occasionally, when cash flow issues popped up, he'd receive no paycheck at all—"something no regular employees would ever endure or accept," he says.

Senske felt he wasn't being fairly compensated. With no plan mapped out for the future, he reached a breaking point where he began experiencing physical stress systems.

"I kind of cracked and asked for a family meeting," Senske says. "I told my folks that there had to be a change and we needed to work on a transition plan as a reward for my efforts. Though the phone calls never stopped, a plan to transition ownership was made."

In any business there needs to be a clear expectation of what the transition plan will be, Senske says. "There also needs to be a clear compensation program that's fair to all parties," he says.

As for a transition to the next generation, Senske's children do not work in the businesses. When it became apparent to team members there wouldn't be a third generation of family

*continued on page 26*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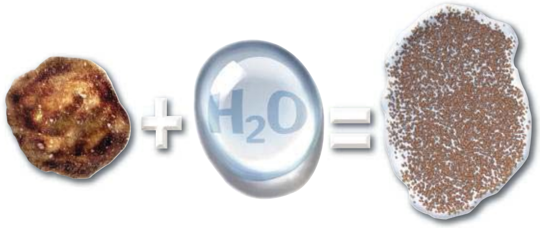


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*continued from page 24*
ownership and Senske had no immediate plans to sell or exit, he created a long-term strategy that he shared with his leadership team.

"I communicated a 20-year plan, which included developing a new, next generation leadership cohort that can manage the business whether it's for me, my family or new owners," he says.

Although he says his parents were well taken care of and his relationship with them always remained strong, in true family business fashion, Senske still harbors guilt for putting what he calls "undue pressure" on his folks about the transition.

Those are precisely the feelings healthy family businesses can avoid, says Barbara Fisher, president and lead consultant with Fisher Business Management in Portland, Ore.

The older generation in a business should consider the succession plan early. "They should set their son or daughter up to get increasing responsibility and accountability in the company, while earning a fair wage," she says. At the same time, the younger generation should consider whether they're adding significant value to the business and create a buy-out situation for their parent. "Do not expect a parent to simply hand over the business out of love," Fisher says. "A sale is likely their parents' retirement plan, and it should be treated as such."

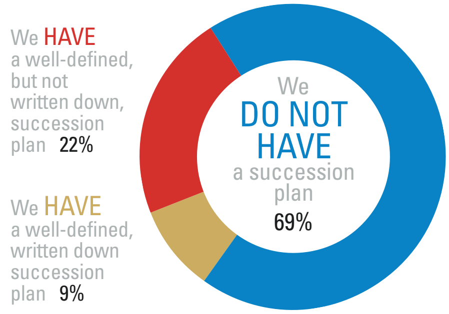
# HABIT 4

## Hire for skill, not relationships

Nepotism is the No. 1 culprit undermining unhealthy family businesses, says consultant Raymond Suarez of Quality Management International, based in Suitland, Md. "All healthy family businesses—emphasis on the word 'healthy'—go out of their way to ensure employees understand and believe that rewards and recognition are a function of merit and performance, not relationships," he says.

That's something Lemcke is conscious of. From as long as he can remember he's wanted to be involved in the family business, working there during summers from a young age, but

**HOW DO YOU DEFINE YOUR PLAN FOR SUCCESSION?**




SOURCE: *LM*'S FAMILY BUSINESS SURVEY

he was determined to bring value to the company and not just take up space. After receiving a bachelor's degree in landscape development from the State University of New York's College of Agriculture and Technology at Cobleskill, he interned for three months at Gachina Landscape Management in Menlo Park, Calif., and he quickly became involved in trade associations on state and national levels.

The internship was a particularly useful experience for Lemcke, and though working outside the family business for some time wasn't a mandate of his business, that practice is becoming common, Session says.

"Some family businesses make it a rule that a young person can't come into the business whenever they want to," Sessions says. "They say you have to work elsewhere from two to five years. Some say it has to be in a comparable company and others say it doesn't. The point is, you have to tolerate what it means to work for others not related to you."

Additionally, he says it's important to allow family members to enter the business only when there's a "real job" to be done.

Dan Dahlkemper, the second-generation owner of Dahlkemper Landscape Architects & Contractors, says children in family businesses should work somewhere else a). because they can learn a lot from other companies, and b). to understand working for other people isn't all it's cracked up to be.

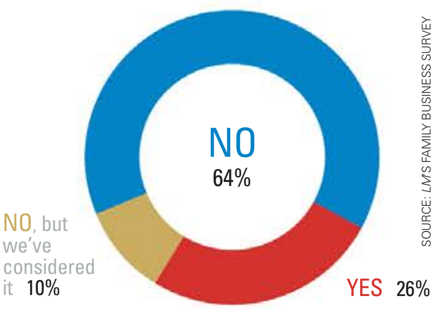
Dahlkemper himself grew up working in the business his father founded. After receiving his bachelor's degree in landscape architecture from Penn State University in 1980, he worked for firms in Maryland, New York and Texas before returning to the family business in 1986 and eventually acquired ownership.

Finally, Sessions says family business managers need to be ready and able to discipline family workers—including letting them go—if they're not meeting standards.

"If they're not cutting it, you've got a problem and everybody notices," he says.

More than a quarter of Green Industry family businesses have fired a family member, according to *LM's* Family Business Survey. Ten percent have considered it but haven't pulled the trigger.

**HAS YOUR COMPANY EVER FIRED A FAMILY MEMBER?**



## THE FAMILY PANEL

A look at the Green Industry execs, quoted throughout this story, who opened up to *LM* about family business.

### Dan Dahlkemper

*Owner, Dahlkemper Landscape Architects & Contractors* / Erie, Pa.

Founded: 1955
Annual revenue: $3.5 million

**FAMILY INVOLVED**
Dahlkemper succeeded his father, Chuck, as the owner of the business. Other family members serve as key managers.

### Pat Donovan

*Owner, Classic Landscaping* / Edison, N.J.

Founded: 1983
Annual revenue: $300,000

**FAMILY INVOLVED**
Donovan's four sons, Patrick, Taylor, Brendan and Brian, have worked in the business during summers and intermittently after graduating.

### Brett Lemcke

*Vice president, R.M. Landscape* / Hilton, N.Y.

Founded: 1973
Annual revenue: not reported

**FAMILY INVOLVED**
Lemcke works for his father, Rick, who founded the firm. They employ various family members.

## HABIT 5

### Separate work and family life

Separating work and family—or "church and state," as Lemcke calls it, is the toughest aspect of a family business, according to the *LM* Family Business Survey. (See chart on page 30.)

"I'm still always challenged not to have conversations about work on the weekend or during family time," Lemcke says. "I love talking about the businesses, but it's about trying to make sure we're not always talking about it."

Successful family businesses find ways to celebrate together, such as having dinner together every Sunday, Sessions says. "They really enjoy their families as something distinct from their business," he says, noting some families wouldn't know what to talk about if they weren't talking about business. He says that's not a healthy way to behave, and if that's the case, he suggests instituting a rule about not discussing work at home.

Bruce Moore Sr. says his family learned that rule early on from a family business group. "At the end of the day when we go home and have dinner, business isn't discussed," he says. "It gets left outside the door, and I think that's worked pretty well."

Lewey and her husband instituted a rule about no work talk on "date nights." "If one of us brings it up, all we have to do is hold up a finger and that means stop," she says.

Classic Landscaping's Pat Donovan says his four sons, who've worked with him off and on throughout their high school and college careers and have been his only employees, are the ones who keep him in check.

"If I get going about work on an off day they'll say, 'Dad, you told us we were going to be off today, why are we talking about work?'" he says. "You have to pull the plug at some point. I have to remember what's important to them, and they're grown up enough to say, 'Let's not talk about it.'"

### Kim Lewey
*Co-owner, Lewey Landscaping & LawnCare* / Raleigh, N.C.

Founded: 2001
Annual revenue: $500,000

**FAMILY INVOLVED**
Lewey's husband, Mike, is co-owner; their daughter, Jordan, is working with them on a short-term basis.

### Bruce Moore Sr.
*CEO, Eastern Land Management* / Stamford, Conn.

Founded: 1976
Annual revenue: $6.7 million

**FAMILY INVOLVED**
Moore's son Bruce Moore Jr. serves as vice president of operations; he's been full time since graduating from college six years ago.

### Chris Senske
*President, Senske Lawn & Tree Care* / Kennewick, Wash.

Founded: 1947
Annual revenue: $21.6 million

**FAMILY INVOLVED**
Second-generation owner; no children involved in the business.

### Clark Tomlinson
*President, Tomlinson Bomberger* / Lancaster, Pa.

Founded: 1981
Annual revenue: $8 million

**FAMILY INVOLVED**
Tomlinson's wife, Beth, is co-owner and executive administrator; son Greg is an account manager; and daughter Elizabeth is the receptionist.

**» WEB EXTRA WEB EXTRA WEB EXTRA WEB EXTRA WEB EXTRA «**

Are you feeling trapped in the family business? Visit the Web Extras section of **LandscapeManagement.net** for advice from psychologist Michael Klein, author of *Trapped in the Family Business*. Plus, more charts and insights from *LM*'s Family Business Survey.

## HABIT 6

### Treat family and non-family workers equally

One component of a successful family business is proving internally that family workers and non-family workers are treated equally, Sessions says. In the *LM* Family Business Survey, 90 percent of respondents say they treat family and non-family workers equally.

"Younger generation members have to be above reproach in how they handle themselves and expect that more will be expected of them," Sessions says. In fact, they should be coached on the "fish bowl that is a family business," he says.

"I'm very conscious that my son doesn't get any special treatment, and he's very good about it, as well," says Clark Tomlinson, owner of Tomlinson Bomberger. His son Greg works as a sales account manager. He's worked for the firm part-time since he was 16, joining full-time after college about seven years ago. The father-son team is working with a succession-planning coach to set the stage for Greg to gain ownership.

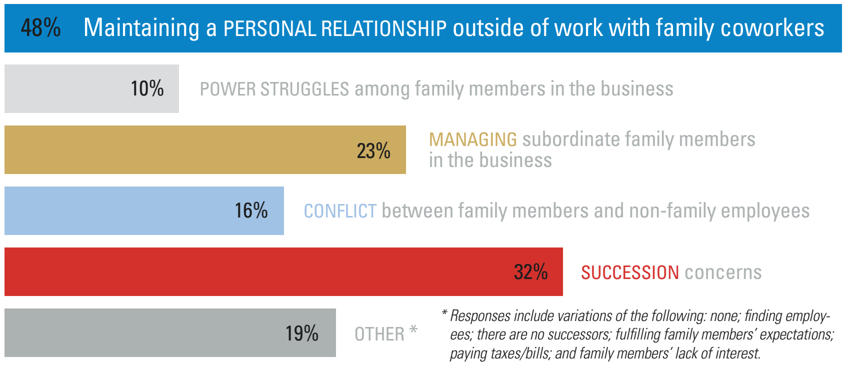
"I'm always juggling, trying to be fair and equitable, and I've tried to hold higher expectations for him," Tomlinson says. "In a family business, you need to prove yourself, be reliable and have a good work ethic. The good news is he seems to be respected by his peers."

Tomlinson Bomberger has a few practices in place to promote this balance. For one, the younger Tomlinson calls his parents Clark and Beth vs. Dad and Mom at work to create a separation. He picked up the tip from a family business seminar.

"My son has evolved to that and it's worked out well," Tomlinson says.

Additionally, as a rule, family members don't report to family members. (Tomlinson's wife, Beth, is the company's executive administrator and his daughter Elizabeth is the receptionist.) "It's easier said than done, and it

**WHAT ARE THE TOP CHALLENGES OF OPERATING A FAMILY BUSINESS?**
*(respondents could select more than one choice)*




* *Responses include variations of the following: none; finding employees; there are no successors; fulfilling family members' expectations; paying taxes/bills; and family members' lack of interest.*

SOURCE: *LM'S* FAMILY BUSINESS SURVEY

probably creates a challenge for the managers, but we've had those conversations and said we'd do it by the book," Tomlinson says. "I remind the managers to take the family out of the equation and proceed as if they're any coworker."

## HABIT 7

### Don't pressure your children to join you

Nearly a third of non-founding family business members in the landscape industry say they've felt pressure to join the family business.

Senske is one of them. At the time he joined the company, his father needed someone to run his four-person businesses while he recovered from major surgery. Senske's siblings had already started other careers or lived out of town. "I was the only real choice," he says. Although he felt pressure, he's happy with the way things turned out, and he's glad he landed where he did.

Likewise, Dahlkemper felt the pull back to his father's business but is content with where he stands today. "My dad had always put a lot of pressure on me to come back into the business," he says. "I just couldn't work for him—he's very type A and I'm not that way. My management style is fairly different. When I bought in, it was at 51 percent."

None of his five children works in his business, although they have at times.

"We told them all to pursue their interests, and there's nobody who's really interested in the business," he says. "As a parent you want your kids to be happy. If they're not going to be happy, then it's not for them. I don't want them to do it for my sake. Sure, succession becomes a concern, but I have some great people who've been here for a while. I'm starting to bring a partner in to plan for the future."

Tomlinson says it's important to emphasize to children that they're welcome if they have an interest, but not to have a mandate. Three of his children have other careers. He says because the door's always been open, there's no friction among family members who are in the business and those who are not.

"We've all made our own decisions and everyone's OK with that," he says. LM

**METHODOLOGY //** We surveyed 8,980 random *Landscape Management* readers via email in January, garnering 474 responses, for the *LM* Family Business Survey. The statistics presented throughout this report come from that research. More than two-thirds (67 percent) of respondents say they consider their firms to be family businesses. Those who did not indicate they work in family businesses—155 people—were prevented from answering the rest of the survey.