

2010 Dinner Forum Calendar

February - Connecting With Your Next Generation Family Leaders

April - Evening with Dr. Stephanie Brun de Pontet. Family Business Expert

June - Economic Forecast Summit: Family Business in 2010 Economy

September - Learn from Family Business Leaders: Top Successes & Mistakes

November - Leaving a Legacy

much more.....

For more information and to register
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NEW YORK BC **MISSION**
Providing education, consulting, training, interaction and resources required to ensure family owned businesses efficiently and effectively evolve through the various stages of business development.

New York Family Business Center

Relatively Speaking
572 South Salina Street
Syracuse, NY 13202

Vision

Establish a foundation of resources equipped to stimulate dynamic economic development among family owned businesses resulting in the attraction, development and retention of these businesses within New York State.



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A Family Business for All Seasons

Alberto Bianchetti

Growing a family business can be challenging enough, but when the family business is actually growing, as in strawberries, tomatoes, peppers, sweet corn and other produce, the challenges can be even greater.

But it is as growers that the family-owners of the Ramada Inn Syracuse, location of up coming meetings for the New York Family Business Center, got their start.

The Ramada is owned by the Emmi and Mangano families and sits on land that was first purchased by Sicilian immigrant Anthony Emmi in the 1940s to grow strawberries, sweet corn, peppers and tomatoes.

As the years went by Emmi added more farmland in Liverpool. In 1956 his son Carmen and his son-in-law Salvatore Mangano, also a Sicilian immigrant, became formal partners and Emmi & Sons was born.

A natural extension of the farming business was added to the family's portfolio with the purchase of Syracuse Farm Supply in 1965. Adjacent to the Central New York Regional Market, the store was operated by Salvatore and was a source of supplies and advice for both regional growers and weekend gardeners until it closed a few years ago.

As Liverpool grew the area began to attract additional development. The Emmi partnership leased some of its farmland to the original developer of the Ramada, but a short time after the hotel itself became available. With an interest in regaining control of the land it had leased, the Emmis and Manganos decided they would buy the hotel and enter the hotel business.

The move to acquire the Ramada was the first of what is now a portfolio of five hotels (Ramada, Super 8, Hampton Inn and Homewood Suites) all within sight of the original Liverpool Emmi Farmstand, and a recently built Hampton Inn in Watertown. A seasonal ice cream stand is also part of the family's businesses.

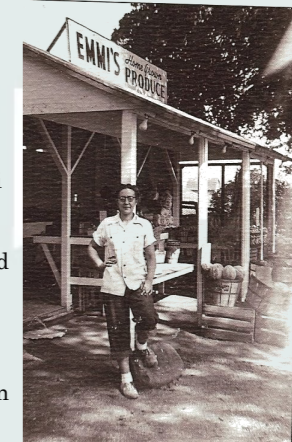
"Hard work and prudent risk taking are the hallmarks of most family businesses and that was certainly what made the business work for my grandfather, father and uncle," said Anthony Mangano, Salvatore's son and the former general manager of the Ramada. "But the key to the business lasting is a mutual respect and love that comes with thinking about what's right for the business today and generations to come."

These days, Anthony, along with his cousin Carmen Jr., spend their time looking for new hotel and real estate opportunities to continue the success of the family business. The farm continues to flourish with Carmen Sr.'s son Anthony Emmi in charge, continuing with his grandfather's name and love of the soil. Meanwhile, other family members manage the hotels or support the business with legal and accounting services.

Founding partners Anthony Emmi and Salvatore Mangano have passed on. Carmen Sr. remains active advising both the hotel and farm businesses.

And, fittingly, the fourth generation of the family is starting to take their place in the business by starting "on the farm". Several of the teenage members of the family earned their spending money this summer working at the farm's Baldwinsville packing house, preparing boxes of produce to be shipped both to Central New York grocers and produce wholesalers throughout the northeast. The teens also staffed the family's roadside produce stands that are especially famous for fresh sweet corn.

"I can't help imaging what my father and grandfather would do if they saw my daughters, nieces and nephews bagging sweet corn and packing peppers," Mangano said. "My bet is they would be quick to teach them a thing or two, and be very, very proud."



Become a Member

Eligibility

Family Business Membership:

Limited to businesses where family has the controlling interest and two or more family members are involved in the business.

Emerging Family Business Membership:

Businesses in the first generation with plans or intentions of bringing in the second generation.

HOW TO JOIN

www.NYFBC.org

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WHY JOIN

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**Vision for the New York Family Business Center**

Donna Herlihy

Imagine if you will, being in a room full of 90 executives from local family businesses. You can sense the wisdom of generational experience at each table in the room. As you slowly look around the room you can see people sharing thoughts, opinions, and experiences with each other. The atmosphere is relaxed and no one is trying to make the sale of the century. You just see people getting to know each other and their neighbor's business. What you suddenly realize is that this event is a safe harbor for sharing but in a business setting.

Recently, I was a guest at the University of Massachusetts Family Business Center's dinner forum in Holyoke, MA and experienced a safe harbor environment for family business owners to share their thoughts and experiences. I found myself in a room full of executives from dozens of different companies and thought *"okay what do I do now?"*

The Executive Director, Ira Bryck made his announcements and introduced the first presentation. He introduced a **fifteen** year sponsor of the UMass Family Business Center, yes fifteen years! Giombetti Associates, a management consulting firm known for increasing productivity and profit through leadership consulting was the first presenter. Their presentation was unique in that it involved bringing one of their own clients in from Ohio and discussing ways that they have helped improve leadership within the executive team.

After the first presentation we enjoyed a remarkable buffet dinner and that's when I met the people at my table. Sitting next to me was Michele Dufresne President of Pioneer Valley Books from Amherst, MA. Her husband, son and daughter in - law were also at the table. What I learned from her was that a few years ago this business was a partnership and they considering selling out or even closing its doors. After consulting with people from the family business center and other respected resources they ended up buying their partner out and running the business on their own. Michelle is an accomplished author of famous children's books which their company publishes. And each family member has a role in the business. It was fun to watch their reactions when the next speaker was announced, "Trapped in The Family Business?" presented by Michael Klein. I was curious to see if this presentation was going to be perceived as negative to all the family business owners in the room. As it turns out, it sparked great conversations, suggestions, and opinions throughout the room from the participants. Although I can say I caught siblings, mothers and sons, husbands and wives, fathers and sons glancing across the room at each other looking for one another's reactions.

Because of the amount of wisdom in a gathering like this I found it easy to make great contacts, have great conversations and have great takeaways. It is my hope that we can continue to create and grow our New York Family Business Center into a spectacular group of people like the UMass Family Business Center.

Okay, what do I do now? I will continue to strive to make the NYFBC a place where we can learn and share from each other and the topics that you want to learn about will be the Center's first priority.

Most Recent Members of the New York Family Business Center

Branch's Driving School, Inc.
Chuck's Fire Equipment
Morse Manufacturing Co., Inc.
Tarson Paper & Janitorial Supply Corp.
HR One Consulting Inc.
United Radio, Inc.

The Palace Theatre
Hunt Real Estate
Allyn Family Office
Ramada Inn
Strathmore Products Inc.

**Newton's Third Law: When Things Are Down, Where is the Up?**

Brian Janowsky, Esq.
Bond Schoeneck & King, PLLC

Most, if not all, family owned and operated businesses are feeling the effects of the current economic downturn. Business owners are tirelessly working to lower operating costs and find new ways to generate revenue, in the face of an ever decreasing profit margin. You may recall that Newton's third law of motion tells us that with every action there is always an equal and opposite reaction. So where the market is moving "down", where do you find "up"?

One upside generated by the down economy is the lowered cost of transferring or succeeding your business to the next generation of ownership. Valuations of most business operations are at historical lows. In addition, interest rates have fallen and will likely remain that way, at least in the short-term. There are various ways to transfer the operation and management of your business to the next generation and at the same time take advantage of these low values.

For instance, selling an interest in your business when the market value is depressed may result in recognizing less capital gain income, which is currently taxed at 15% (pending legislation may increase the tax rate to 20%). However, in the context of family succession, finding ways to transfer your business interest without imposition of tax may be a preferred course.

Sign up today for Family Business Roundtables

These on-going, informal gatherings bring peers together to address common problems and sometimes-uncommon solutions.

Roundtables provide members the collective wisdom of colleagues by sharing knowledge and practical advice in a comfortable, confidential discussion led by a professional facilitator. Once established, Family Business Center Roundtables typically function autonomously, with members determining the time, place and content of their group meetings. The best roundtables are small, select groups (7-12 individuals) from non-competing family businesses.

Why join a Family Business Roundtable?

The roundtables offer support and direction on common problems and help members avoid pitfalls before they occur. Participants depend on their peers to be capable, confidential advisors with fresh perspectives and workable solutions. By freely sharing experiences, mistakes and success stories, members may help each other avoid the cost of hiring consultants or engaging in legal actions.

How do you join a Family Business Roundtable?

To be eligible for a Family Business Center Roundtable, you must be a member of the Family Business Center. Please call Donna Herlihy at (315)470-1889 to join an existing round table or start a new one.

By implementing a gifting program, you can begin to transfer business interests on a tax free basis. Under current law, a person may transfer up to \$1 million during his/her life tax free. In addition, a person may transfer \$13,000 per year per individual without the transfer counting towards his/her \$1 million credit. This increases to \$26,000 for married individuals who elect to "gift split" with his/her spouse. Accordingly, a business owner with three children could transfer \$78,000 worth of his/her business each year, without using his/her \$1 million gift credit. By gifting when values are low, you can transfer a greater portion of your business each year at a lower cost. As the markets recover, any increased value will also be in the hands of the gift recipients.

Gifting portions of your business each year may also allow the use of various discounts, depending on the structure of your business. For instance, if you gift a non-controlling share of your business, you may be able to apply a discount for lack of control. Similarly, as your business is closely-held a discount for lack of marketability may be applicable. These techniques allow you to further leverage low values to transfer more of your business tax free.

A grantor retained annuity trust (GRAT) is also a tool which can leverage both the low valuation of your business and the current low interest rates. By placing a portion or all of your business into a GRAT, the future appreciation of your business over the term of the GRAT will flow tax free to your named beneficiaries. This technique allows a business owner to maintain control of his/her business while moving appreciation and/or control to the next generation.

