Do you have a blueprint for your future?

By Carol Butler, President
Goering Center for Family & Private Business

Most of us wouldn’t consider working with a builder on our dream home if that builder didn’t have a blueprint to follow. Without a plan, how will the builder and their team make our wishes a reality, much less successfully guide their subcontractors such as electricians, plumbers, and carpenters through the building process?

As someone building a business, can you imagine having a blueprint guiding you and your team to the outcomes you want? A business blueprint serves to outline the choices you’ve made about how you will compete and win in your field, be it on price, value, cost, speed to market, locations, differentiation, or some other factor, such as your purpose, culture or mission. This framework determines not only where you go, but also where you don’t go. It’s something your employees should be able to understand, align with, and follow so you are working together efficiently and effectively to meet your goals.

If there’s anything the last year has taught us, it’s that the uncertain is certain. On a practical level, our recent Next Generation Institute underscored the importance of having a plan—or blueprint—in place to cover the unexpected: Although Jack Brendamour, Junk King Cincinnati CEO, didn’t find his founder’s written plan until recently, he was still able to navigate the sudden death of founder Pete McCreary just a few short years ago. The answer? Pete set them up for success—he always talked openly about the business and his plans with Jack and his team, so they knew what to do.

Plans are meaningless if they sit in people’s heads—or on a shelf. You need to communicate your plans with your team, as the Hollenkamp family confirmed during that same NGI session. When Writely Sew founder Jerry Hollenkamp experienced a near fatal heart attack, his son was able to fulfill the firm’s orders during their busiest time because he knew whom to contact to get the work done. He had clarity, guidance, and understood the direction he needed to go when facing a critical business decision.

These stories highlight how now is the time to work on a shareable plan that covers any personal and professional contingencies—that covers business decisions. At the Goering Center, we hear this loud and clear. Our own blueprint includes anticipating what our members need and building programs that meet those needs to help them thrive. With that in mind, I’m pleased to announce that we are introducing BLUEPRINT, a new program this summer. In a total of eight hours, BLUEPRINT delivers a simple, personalized framework that will give participants focus and accountability to make thoughtful decisions as they encounter changing circumstances and environments.

Most family and private business owners know what they want and need to do, but the idea of putting it on paper, let alone creating a “strategic plan,” makes them shut down. BLUEPRINT will work with one business at a time, meeting you where you are to develop your plan. Look for details on a launch event with Thrive Village, our partner in BLUEPRINT, this July.

We started to return to the classroom this month for our first in-person Leadership Development Institute session since the pandemic. We socially distanced and wore masks, and people were delighted to get back to an in-person experience.

On May 20, we are hosting an in-person, half-day workshop at the Goering Center on the incredibly important topic of diversity and inclusion. Next month, Josh Baron, author of the Harvard Business Review Family Business Handbook: How to Build and Sustain a Successful, Enduring Enterprise, is our guest speaker at our Theodore M. Berry International Friendship Park luncheon. We will be out by the Ohio River—people will be able to spread out, and we’ll have boxed lunches to keep things safe.

We are also building on our recent economic impact study. We’ve heard from so many businesspeople who say that last year was their best year ever. What can we learn from them and how can we help you incorporate these learnings into your blueprint?

Looking to the future, our Goering Center team will continue to evolve. Effective July 1, Tony Schweier, of Clark Schaefer Hackett, will step down as Chairman of the Board of Directors; Jonathan Theders, of RiskSOURCE Clark-Theders will step into the Chairman role and Aaron Hansen, of Hansen Scaffolding, will become Vice Chair. Concurrently, Jon Adams, of SALIX Data, will transition his chairmanship of the Board of Advisors to assume a full seat on the Board of Directors; Dan Barnett, of Johnson Investment Counsel will be the new Chair of the Board of Advisors. We are deeply grateful to Tony and Jon for their generosity and meaningful contributions to the Goering Center community. We are excited for the new leadership to move their work forward and motivate our team to achieve continued success. As the world continues to open up, we’re excited to help you do what you do best—run your business.
How to Improve Your Business Using Data Analytics

By Jonathan Poeder, Director, Data Analytics

When they hear terms like “data analytics” or “business intelligence,” many small business owners tune out, mistakenly thinking this only applies to large corporations with huge budgets. But this often isn’t the case: small and mid-sized businesses (SMBs) can also reap benefits from data analytics if they understand some of the basic concepts surrounding it.

WHAT IS DATA ANALYTICS?
Data analytics describes the large volumes of information generated by businesses as a byproduct of their normal operations. Even relatively small businesses today can generate so much data that it’s difficult for traditional data processing methods to analyze it.

With the growth of digital formats and ever-expanding business uses of the internet, including e-commerce and social media, many SMBs now find themselves flooded with data. This problem is sometimes referred to as the three Vs of data: Volume, Velocity and Variety.

By harnessing this data and using it effectively, SMBs can accomplish a wide range of objectives and gain a strategic advantage over their competitors. For example, effective data analytics can help businesses:

• Market to customers more effectively
• Monitor and track marketing results more accurately
• Identify customers’ needs more quickly
• Design and manufacture products that meet these needs
• Manage inventory more efficiently
• Improve sales and revenue forecasting
• Streamline operations
• Reduce costs and thus boost profits

GET STARTED WITH DATA YOU ALREADY HAVE
It doesn’t take a big budget or dedicated staff to start using data at your business. In fact, you might already have some of the most useful tools right at your fingertips, like reports prepared by your sales team, email marketing reports, social media data feeds and website analytics.

Start your data analytics initiative by asking questions that are directly related to your business goals. If your goal is to increase market share among a specific customer segment, for example, you first need to know what your current market share is and the market share of your key competitors. Or if you want to boost net revenue by lowering manufacturing costs, you need to know the cost of goods sold for each of your top-selling products.

True data analytics involves more than just statistical summaries of data, though. You also need to be able to identify patterns in data and understand what’s causing them. This can help you anticipate what might happen in the future and formulate your strategic plans accordingly — a process known as predictive analytics.

Kissmetrics: Mines internal and online marketing databases to help you target marketing efforts more effectively.

InsightSquared: Connects to software like Salesforce, Google Analytics and QuickBooks to provide sales, marketing and staffing analytics that help you spot trends and improve sales and pipeline forecasting, lead generation, and tracking and profitability analysis.

Google Analytics: This free platform gives you everything you need to analyze your website data from all touchpoints, so you can improve your website’s form and functionality and target your marketing efforts.

Microsoft Power BI: Uses custom dashboards to give you a 360-degree view of your most important data.

DATA ANALYTICS: RIGHT FOR YOUR BUSINESS?
Don’t be intimidated by the data analytics lingo or assume that data analytics is only for big businesses. Instead, take time today to seriously consider the potential benefits of launching a data analytics initiative.

For more information, contact
Jonathan Poeder at 513-746-2792 or JAPoeder@cshco.com.
Incentivizing COVID-19 Vaccinations in the Workplace: Key Considerations for Private Employers

By Alison M. Huenefeld, Esq., Cors & Bassett, LLC

The first COVID-19 vaccination was received in the United States on December 14, 2020. Since then, three vaccines have been approved for emergency use by the Food and Drug Administration, with more nearing the end of clinical trials. As we head into May of 2021, over 30%, or approximately 99,668,945 of Americans, have already been fully vaccinated. The availability of the vaccine has employers around the country contemplating whether to mandate employee vaccination as a condition of employment or to implement policies incentivizing vaccination. Recent studies show that many employers are choosing the latter option due to the legal limitations on the value of vaccine incentives.

LEGAL LIMITATIONS ON THE VALUE OF VACCINE INCENTIVES

The first question employers face regarding vaccine incentive policies is what types of incentives to offer. Trying to strike a balance between offering an incentive that will truly motivate employees to get vaccinated and will not be viewed as coercive, is tricky, and the legal guidance on the topic is unsettled. Some employers have opted to provide additional paid time off to allow employees who choose to be vaccinated adequate time to make and attend vaccination appointments and recover from potential side effects without worrying about having to miss work (for employers who choose to participate in the reset of the Families First Coronavirus Response Act, emergency paid sick leave may apply to time off for vaccinations and recovery from vaccine-related side effects). Others have chosen to offer cash payments or extra vacation time to vaccinated employees. Earlier this year, the Equal Employment Opportunity Commission (EEOC) provided guidance on voluntary wellness programs in the workplace, instructing employers that only de minimis incentives, such as low-value gift cards and water bottles, were lawful incentives for vaccination. However, that guidance has since been withdrawn by the new administration, leaving the extent to which employers are legally permitted to incentivize vaccination unanswered. While a number of associations, including the United States Chamber of Commerce and the Society for Human Resource Management, have requested the EEOC to issue new guidance on this issue, no such guidance has been provided. Given the uncertainty in this area, employers are wise to be cautious with respect to the value of vaccination incentives until the EEOC publishes new guidance.

DISCRIMINATION CONCERNS

Employers additionally should be careful that any vaccination incentive policy does not discriminate against employees who are medically or religiously exempt from receiving the vaccine. For example, some employees may have a disability that would make vaccination unsafe, while other employees may object to the vaccination based upon sincerely held religious beliefs. Under these circumstances, employers with incentive programs should consider accommodations that could serve as alternatives to getting the vaccine, such as working from home, regular COVID-19 testing, or requiring the employee to complete a safety program on the spread of the virus.

REQUIRING PROOF OF VACCINATION

In order to implement an incentive-based policy, employers will have to have a way of requiring proof of vaccination and instruct employees to prove his or her eligibility to receive incentives. However, employers should provide clear instructions on the acceptable forms of proof of vaccination and instruct employees not to provide any additional information beyond what is requested. Employers also cannot lawfully ask employees any follow-up questions regarding an employee’s vaccination status, especially questions related to the reasons an employee has not been vaccinated.

These are just a few of the issues employers must consider when creating and implementing a vaccine incentive policy. Due to the potential legal implications and areas of uncertainty, employers should do their research and consult with a legal professional before establishing such a policy.

This article is for general informational purposes only, is not for the purpose of providing legal advice, and does not establish an attorney-client relationship. You should consult with an attorney to obtain advice as to your particular issue or circumstances.

“If we had not gone through the BLUEPRINT process, we would still be a very reactionary business instead of being very intentional in working towards a goal and having everybody on the same page.”

Ian Murray, SpotOn Productions

BLUEPRINT delivers a simple, personalized one-page framework that provides clarity, guidance, and direction to your business. By blueprinting where you want to go and what you want to achieve, you can maintain focus on your road to success.

Mark your calendar for a future Overview: July 28

“Thank you to Thrive Village for providing the intellectual property for BLUEPRINT.”

The Goering Center is a valued partner delivering knowledge, connection and community.
Connecting Multicultural Wealth & Asset Management Initiative to Larger Racial Equality Strategy

By Mark Walton, Fifth Third Bank

According to Nielsen Research, African Americans are on the cusp of a landmark generational transfer of wealth. In “The Multicultural Edge: Rising Super Consumers,” Nielsen indicates that African American households in the coming decades are expected to transfer between $1.1 trillion and $3.4 trillion to succeeding generations. Multicultural consumers also are the fastest growing segment of the U.S. population – 120 million people now and growing by 2.3 million each year. Whether it’s a secure retirement, leaving a legacy for their children and grandchildren, helping their businesses grow or just enjoying their financial success, the goals and decisions made today will have an impact that will last for decades.

To assist with this landmark transfer of wealth, Fifth Third Bank in 2019 launched its Transfer to Transformation strategy. The initiative, believed by Bank executives to be the first of its kind, specifically focuses on high net worth and ultra-high net worth African American clients. ‘Effectively transitioning and transferring wealth, business interests and valuable assets is critical to creating multigenerational wealth in the African American community,” said Joel Stone, managing director of Fifth Third’s Private Bank office in Cincinnati.

Transfer to Transformation is led by four African American leaders, with more than 125 years of financial services and wealth management experience. “We believe having an African American wealth management advisor-led team of highly credentialed specialists allows successful African Americans to feel comfortable and confident with an advisor walking alongside them and their family on this financial journey,” Stone said.

The program is also connected into national resources by its executive sponsors, providing any additional support and resources necessary to deliver on desired outcomes. “This work is an integral part of our long-term strategy to generate sustainable value for all of our stakeholders,” said Kris Garrett, one of the project’s executive sponsors. “We believe in providing best-in-class financial solutions and services to our clients, supported by digital technology and innovative and meaningful solutions to help our customers achieve their financial goals.”

Mark Walton, wealth management advisor and one of the four leaders of Transfer to Transformation, has worked with the initiative since its inception. He explained that the execution of the strategy puts clients and their specific needs first. “We incorporate a wealth management advisor and a team-based approach for all of our Private Bank families. We are committed to ensuring all of our clients have an executable financial and wealth plan that helps them achieve their financial goals and priorities,” he said. “Our vision is to serve as the personal CFO for successful African Americans and help them make strategic, long-term plans about their wealth.”

Walton and Stone agreed that Transfer to Transformation provides an opportunity to help people create, grow and preserve wealth for future generations. “We’re making 50-year decisions with these individuals and families,” Stone said, “and in turn we’re protecting wealth for their grandchildren and beyond. In addition, we’re providing educational opportunities for the current families and their second and third generations.”

Although Transfer to Transformation began as a standalone initiative, it is now part of a $2.2 billion commitment that will provide $2.2 billion in lending, $500 million in investments, $60 million in financial accessibility and $40 million in philanthropy. The commitment focuses on four strategic pillars that directly impact customers and communities with targeted outcomes that enable the Bank to track progress and measure success in strategic investments, access to capital, financial inclusion and education, and social justice and advocacy.

“I’m proud that the Bank’s executive management recognizes the need to create and provide these wealth solutions for this segment of the population that traditionally has been overlooked for years,” noted Walton. “People who look like me.”

Walton also knows that this work will continue to change lives in the years ahead. “Historically, African Americans have been left out of the creation of wealth, its growth and its preservation. Altruistically, we want to make sure that this group of people is in the best position possible to manage the transfer of wealth that has begun to happen and that will continue to happen for the next 20 years.”

For more information about Fifth Third’s Transfer to Transformation strategy, please contact Mark Walton at Mark.Walton@53.com. Mark is a 30-year banking veteran and a Wealth Management Advisor for Fifth Third Private Bank.


The Next Generation Institute for owners and leaders of family businesses, their successors, and other family members. They come to tackle the tough questions together, have difficult conversations, and gain a holistic perspective on the succession journey. Learn more about the 2021/22 NGI at goering.uc.edu.

For more information, contact David Miller at 513-556-5648 or david.miller@uc.edu.

The Goering Center is a valued partner delivering knowledge, connection and community.
Protect Company Assets by Mitigating Cyber Risks

By Sean P. McGee, JD, CPCU, Vice President, USI Insurance Services LLC

Cyber threats and insurance have become a ubiquitous business issue. Insurance is intended as a vehicle to transfer catastrophic risk to carriers contractually in consideration for premium dollars. There is no coverage area where the risks evolve more rapidly than cyber, and so the insurance must evolve with it.

Cyber-attacks can result in negative consequences beyond a company’s financial position. In September 2020, a patient death was directly linked to a ransomware attack against a hospital in Germany. Moreover, a business’s reputation can be nearly impossible to regain. The potential loss of customers, investors, and other stakeholders following a cyber event is an ancillary cyber risk that must be considered. As these large claim trends continue to impact carriers, the cyber marketplace is firming. Companies with IT vulnerabilities have seen coverage withdrawn. Those with better internal protocols still have seen large premium increases. Carriers are offering smaller limits, increased retentions, and increased waiting periods. Beyond ransomware, carriers have expressed growing concerns around third-party privacy claims as new legislation looms. As the marketplace has changed so dramatically, it is incumbent upon businesses and their insurance brokers to start their renewal and application process much earlier than previously required.

CYBER APPLICATION AND RISK MANAGEMENT BEST PRACTICES

The application process has evolved with the marketplace. The questions and scrutiny undertaken in the application process is more intensive than before. Carriers now want to ensure best practices exist to mitigate future claims. Those best practices include pre-screening emails for potentially malicious attachments/links, enforcement of multifactor authentication (MFA), remote access controls, next generation antivirus use, endpoint detection and response use, use of MFA on privileged user accounts, and backup and recovery policies. Deficiencies in these areas will result in severely limited coverage or the inability for a business to obtain cyber insurance at all. It is critical to engage the correct team members or outside vendors to help in this application process to achieve expansive coverage offerings. When even the most lucid company protocols fail, insurance exists to make a business whole in the event of a covered claim.

KEY COVERAGE AND NON-CYBER CONSIDERATIONS

It is critical for businesses to ensure that their cyber policy will respond to most of the potential events occurring in the marketplace. Standard cyber policies often have several inherent coverage gaps and weaknesses that can lead to uninsured losses and expenses. Some of those key coverage areas include business interruption coverage, cyber extortion and ransomware coverage, social engineering/phishing attacks, and data breach event response costs including fines and penalties.

Cyber-attacks are not just an IT issue, but are an enterprise-wide issue. They can impact other areas of a business as well. Examples include: mergers and acquisition implications in uncovering previously unknown cyber risks during due diligence; directors and officers coverage implications can arise in lack of oversight allegations and failure to formulate a plan of action for cyber risks; lastly, business owners and CFOs must also make sure cyber coverage dovetails with crime, employment practices, and general liability coverages as well.

SEEK PROFESSIONAL ADVICE WHEN NECESSARY

If a business doesn’t currently have cyber coverage in place, engage professionals to understand which cyber threats pose the largest financial and operational impacts to the organization and work on a cyber preparedness and response plan. Even if a business does have coverage in place, work with professionals to review the language to ensure it responds to the many risk issues previously discussed.

For more information, contact Sean P. McGee at 513-852-6459 or Sean.McGee@usi.com.


“...In one Roundtable meeting, I received advice that saved Hydrotech several million dollars over the past few years. They are a great way to share best practices, bounce ideas off other leaders, receive counsel on tough issues, and network opportunities. The best part is that Roundtables push you out of your comfort zone, and that promotes personal growth.”

Rex Wetherill, Hydrotech

Goering Center Roundtables

Mark your calendar for future Overviews:
May 19, Oct. 20

For more information, contact Lisa Jonas at 513-556-7403 or lisa.jonas@uc.edu.

The Goering Center is a valued partner delivering knowledge, connection and community.
Understanding Roth IRAs and 401(k)s

By Jamie Caudill, CFP®

The Roth IRA will celebrate its 25th birthday in 2022. With that being the case, some individuals are still not familiar with the advantages associated with Roth IRAs. In this article, we will discuss some of the characteristics of these vehicles while identifying some opportunities that might be of interest.

CONTRIBUTIONS AND DISTRIBUTIONS

While anyone with earned income (or spousal earned income) can contribute to a traditional IRA (even though the contribution may or may not be tax deductible), Roth IRA contribution eligibility is mostly driven by an individual’s adjusted gross income. For 2021, the contribution limit for traditional IRAs and Roth IRAs is $6,000; individuals who are age 50 or older may contribute an additional $1,000. And then with regards to distributions, assuming the individual has met certain requirements (the individual is 59.5 or older and at least five years have passed since the initial contribution), Roth IRA distributions (including any growth within the account) will not be subject to tax or penalty.

REQUIRED MINIMUM DISTRIBUTIONS

While traditional IRAs have required minimum distributions (RMDs) beginning at age 72 (previously age 70.5), Roth IRAs do not require any RMDs during an owner’s lifetime, which allows these accounts to grow uninhibited within a tax-free environment. This reality allows for greater flexibility within retirement while potentially allowing for more of an individual’s Roth IRA to pass on to his or her beneficiaries.

ROTH 401(k)

Most employer sponsored retirement plans have a Roth 401(k) option for their employees. Roth 401(k)s allow plan participants to contribute after-tax dollars to their Roth 401(k) directly from their paycheck, where they’ll benefit from the same tax treatment afforded to the Roth IRA. However, unlike with Roth IRAs, there are no income limits with Roth 401(k) contributions, and individuals are able to contribute up to the current limit of $19,500 per year (and an additional $6,500 if age 50 or older) - significantly more than the maximum Roth IRA contribution ($6,000 or $7,000).

ROTH CONVERSION

A Roth IRA conversion simply entails moving money from a traditional IRA into a Roth account. This “conversion” is a taxable event, as the amount of the conversion will be considered income in the year of the conversion. However, once these funds are in the Roth IRA, they will be subject to the same tax treatment as above (tax-free growth!). Of note, the “five-year rule” alluded to above also applies to conversions; as such, we recommend consulting an advisor when considering a conversion.

TAX RATES AND ESTATE PLANNING

Roth IRAs have drawn some additional interest of late as the Biden administration has put forth proposals involving some significant tax changes. Some of the proposed changes entail increasing tax rates for higher income earners while drastically reducing the federal estate tax exemption amount. Some individuals are considering Roth IRA conversions in 2021 to benefit from current tax rates in anticipation of them being higher going forward. A conversion will also reduce the size of a taxable estate (by the amount of the tax paid on the conversion). Others are taking into account the new rules (as of 2020) surrounding inherited IRAs, and the requirement that (in some cases) beneficiaries fully distribute inherited IRAs within 10 years of the original owner’s death. Therefore, if a parent realizes their children would be adversely impacted by more income from these required distributions (that might be taxed at a higher rate than what they’d pay on a conversion today), he or she might be inclined to convert some or all of their IRA to a Roth IRA so that their children inherit a Roth IRA, whose distributions will not be taxable.

So while using a Roth IRA or 401(k) in some capacity might sound like a compelling proposition, it is usually a good idea for individuals to engage with trusted advisors before implementing any changes. Individual circumstances (age, income, retirement expectations, etc.) will go a long way in determining whether or not it makes sense to consider changes.

For more information, contact Jamie Caudill at 513-579-3383 or jamie.caudill@mai.capital.
Managed Print Services Is Key to Network Security

By Andy Lyall, Full Service Networking

We live in a digital age, and printing remains an essential part of every business. Hard copies of information are still prominent, and finding a way to maintain printing access without depleting precious resources can be a real challenge. Managed Print Services (MPS) is a great way to address that challenge and implement solutions to combat them. MPS is also an important tool that can improve your network security.

THE CONNECTION BETWEEN PRINTERS AND DATA SECURITY

Digital security is vital. There have been many instances and news stories that highlight how devastating a data breach can be. If you understand the dangers, it's easy to overlook risks in any network. Printers are arguably the most overlooked item of all. According to a CIO Review poll, 90 percent of businesses don't even know how many printers they have, how many printers aren't properly set up to combat cyberattacks or security issues. Consider the following:

DOCUMENT THEFT

A community printer is open to prying eyes. Anyone can walk up and read a document on your printer's output tray that might be confidential. It doesn't require a master plan. But when the wrong eyes see sensitive information, it's a breach. That's especially true in legal and medical spaces with strict compliance regulations.

NETWORKING

It makes sense to put an office printer on a network, as one work station can service multiple team members. It's a more efficient and cost-effective solution for small-to-medium-sized businesses (SMBs). However, if a printer is on a network, it can be accessed remotely by nefarious parties. This can lead to spying, data insecurity, and even hacking. If businesses aren't sure how many printers they have, how can they be sure that networked printers are truly secure?

STORAGE

It's often overlooked, but one of the reasons that printers are enticing for data theft is the prevalence of internal data storage capabilities. A single printer can digitally retain an unbelievably large number of documents that go through the printer system. That digital information can be stolen and cause massive issues for a company that hasn't taken the proper steps to secure these endpoint devices.

HOW MANAGED PRINT SERVICES SECURES YOUR BUSINESS

The problem that your printers pose a threat to your business data has been identified. That identification is a significant first step, but what comes next? Every business needs the means to address these security issues, and for many SMBs, the most reliable solution lies in implementing a MPS plan. This modern solution can handle printer security and directly address any vulnerabilities. Here are a few ways MPS secures your business.

BEING UP TO DATE

This aspect of MPS hits on two fronts. If you've read advice from a digital security expert, they probably harped on the importance of software updates, and with good reason. Software updates are extremely important to digital security, and an inclusive MPS program should include software updates as part of the standard package. Printers don't receive the same attention as other digital resources, but printer exploits get found over time. Sometimes, you need physical updates in order to resolve those exploits. Physical upgrades can be just as critical as software upgrades, and MPS is one of the only ways you can gain access to regular hardware upgrades without paying a high price.

ACCESS

Any network printer is potentially a vulnerability. A professional MPS provider will include VPN security for the printers. This is as important to their network security as yours, and it's a simple solution that massively cuts most risks and points of attack. Printers should generally be on VPNs, and a good MPS provider ensures that they are.

KNOWING THE INDUSTRY

Perhaps the most underrated advantage of MPS is the industrial knowledge that it provides. This isn't just knowledge of printing. Chances are, your MSP provider will be familiar with your vertical market. They might not know enough to run your business, but they have substantial experience in how technology plays a role in your workflows and processes. With that experience, they can cut off the most common problems before they arise. Industrial knowledge is invaluable, and you'll receive plenty of it with a reputable Managed Print Services provider.

For more information, contact Andy Lyall at (513) 699-1218 or Andy.Lyall@FullService.net.
How Family Businesses Can Benefit From a Board of Directors

By Rachael Sampson, Key4Women National Director, KeyBank

One of the strengths of family-owned businesses is the tradition and institutional knowledge shared between members and passed down through generations. Not only is there a certain charm to it, but it is also powerful and real. However, your strength can also be your weakness. This holds true for family businesses. Tradition can block innovation. Doing business as usual can stymie growth.

This is why, according to studies by Harvard Law School and Deloitte, at least 60 percent of family businesses rely on outsiders, in the form of a board of directors or advisory board, to help with governance and strategy.

THE ADVANTAGES OF EXPANDING THE INNER CIRCLE
If your business is a public corporation, you are required to have a board of directors. Private companies do not share this requirement, but the benefits are the same. A board of directors or advisory board can help a family business:

• Balance priorities and separate the company’s needs from the family’s needs;
• Help with corporate governance issues and advise the CEO on growth strategy and succession planning; and
• Encourage accountability and manage risk.

Concerns family-owned businesses often express when considering instituting a board is the impact of relinquishing control, the capital and time investment required and sharing financials with outsiders. These are legitimate concerns, but the benefits of positioning your company for growth and sustainable success far outweigh the risk and investment—provided you build your board the right way.

TIPS FOR BUILDING AN EFFECTIVE BOARD
Successful boards are those that have clearly defined roles and expectations. They have non-family members sitting in half of the seats. And they are comprised of diverse people with diverse backgrounds and diverse skillsets—often selected to address specific leadership or knowledge gaps within the company. Here are four traits you should look for:

• Transferable knowledge. Does the person understand your market, your customers and economics? Do they have relationships they can tap into to spur growth in good times and sustain you and help you recover from not-so-good times?
• Relatable expertise. Can the person contribute to your intellectual assets and product development? It is always good to have at least one board member who can understand the technical aspects of your business and challenge you and contribute to your improvement.
• Leadership experience. Having people on your side who have been there and done that is invaluable. If they have done it in your vertical, even better. Ideally, you can find CEO-level members who have started, grown and transitioned businesses. As they say, experience is the best teacher, and board members who understand your current stage and how you can position for growth and, ultimately, either succession or exit will help you maximize your company’s value.
• Proven problem solvers. Businesses have many needs. You will be confronted with challenges and presented with opportunities. This is where creative minds can present strategic solutions to meet talent related, you want people on your team who understand your vision and can present strategic solutions to meet your business needs.

When looking for board members, consider people you know and trust—either to serve or to recommend someone they know. Make sure they meet your criteria, and approach them with a clear vision for your company and how you feel they can help you through your growth stages.

It’s worth noting the difference between a board of directors and a board of advisors. Both can benefit your business in similar ways, but the primary differentiator is that a board of directors has a fiduciary responsibility to your business and voting rights on large decisions. They are ethically responsible for your company’s decisions and, as such, often receive cash compensation or an equity stake in the business. A board of advisors does not have voting rights; they primarily provide input and guidance. Compensation is optional.

Regardless of which path you choose, effective board members fill gaps in your current organizational structure. They have the depth of knowledge and experience to help position your business for growth, and they are committed to helping your business execute on its mission and vision so you can achieve your goals.

Rachael Sampson is the national director for Key4Women, a program that helps support the financial progress and empowerment of businesswomen. She may be reached at 513-830-1122 or rachael_sampson@keybank.com.