

Dr. Cindy's Focus On Family Helps Insure Business Stability

ANDY ANDREWS

Editor

HERSHEY (Dauphin Co.) — Dr. Cindy Iannarelli has had her share of rescuing family businesses from plight.

According to "Dr. Cindy," the name her clients know her best, what's the greatest mistake an owner of a business, such as a farm market, can make?

It's "not talking about the business at the dinner table," said Dr. Cindy. "It's the worst mistake you can make for your children."

Dr. Cindy spoke to a few dozen growers and agri-industry representatives in early February at the Mid-Atlantic Fruit and Vegetable Convention at the Hershey Lodge and Convention Center.

Dr. Cindy reviewed several myths of operating a family business. She has come up with strategies in which her own consulting firm, Dr. Cindy Iannarelli's Business Cents, helps other businesses to cope.

Dr. Cindy noted the dire statistics for family businesses. She said that of 100 businesses started by the first generation, only 30 percent survive to the second. Of those, only 10 percent survive to the third generation.

Of the 100 started, only three survive "due not to business reasons, but to family reasons," she said.

"It's sad to see how families can actually disintegrate over issues of family business," she told farm market owners and operators at the convention.

What's fair in the house is not always fair in the business, she said. But the earlier you begin involving children in the business, the more communication and training you do for them, "the better chance you have of importing business sense to them," Dr. Cindy said.

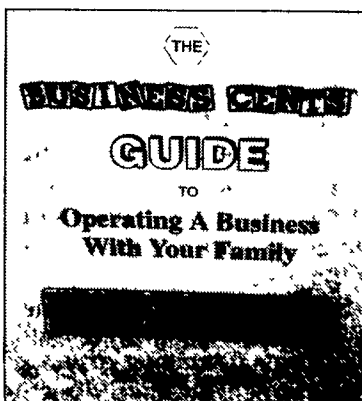
She spoke about growing up in Bridgeville in western Pennsylvania, near Pittsburgh. Her father was an immigrant from Italy.

He came to the states with \$500 to start his own dry-cleaning business in the early 1950s. He rented a storefront, put up a sign, worked at a front counter with a cash register — and took all the clothing to a friend's business to dry clean, returning it on time for customers.

The dry-cleaning business "was our life," Dr. Cindy said. She lived and breathed the business growing up — until her father died unexpectedly, leaving his wife in charge.

Her parents had other plans for Cindy and her brother, including something "better," she said.

"My father wanted us to have educational programs,"



Iannarelli has authored a business "cents" guide to operating a family business.

said Dr. Cindy, to be either a pharmacist, doctor, accountant, or attorney — customers her father believed had it better than most (working a simple 9 to 5 shift, rather than the countless hours her own father put in).

Their father died while both Cindy and her brother were in college, leaving their mother with 100 employees in 10 locations.

The next three years, Dr. Cindy said, "were like a living hell."

Dr. Cindy learned, and advised her mother on a variety of issues that allowed the business to stay viable. Her real-world education allowed her to develop her doctorate program that looked into the issues of family businesses, while using the business as "a classroom," she said.

The following are several studies of the "myths" about family businesses:

- Myth 10: "We've never had a family meeting, so how can we start now?" Someone — not the leader of the business — should command this meeting. You have to go beyond any tensions and have this for the sake of general business planning.

- Myth 9: "Nobody knows our own business like us. Why have outsiders?" Develop a board of directors from a noncompetitive area. This neutrality can be critical to the conduct of the business.

- Myth 8: "Each of my children have different needs, so I pay them accordingly." Forget giving anyone preferential treatment. Pay all by industry standards.

- Myth 7: "If I die, my spouse and five children will work things out together." If you did die, as a business owner, what is going to happen? Estate planning will help decide who will run the business and in what capacity. Insurance is critical.

- Myth 6: "Everyone in the family should be happy, so we avoid areas where conflicts arise." Raise these issues at family meetings. Dr. Cindy advised reading many good business family strategy books. Baby boomers stand to inherit the largest windfall in history from inheritance — \$10.4 trillion — so prepara-



Even kid games are critical to developing "business cents" with Dr. Cindy's program.

tion is critical.

- Myth 5: "My wife wants to be fair to all the children, so we will divide the business equally." This may be completely unreasonable. Everyone wants to make sure they are treated fairly, but is this always reasonable?

- Myth 4: "My girls are not interested in the business." Not true, in cases where the business owners didn't pay attention at the dinner table to what younger siblings had in mind.

- Myth 3: "The kids are teen-agers, and too young to think about the business." It's important to train and develop a plan early.

- Myth 2: "Why sell the business to the children when they expect us to leave it to



Dr. Cindy Iannarelli, left, with Jim Sargent, Bucks County business management agent, at the Mid-Atlantic Fruit and Vegetable Convention.

them?" Begin estate transfer planning early.

- Myth 1: "When my children enter the business, they can just watch me and learn what to do." It's important to train them early and often to create successor development.

One person needs to be a champion of these issues in

every family business, according to Dr. Cindy. And some start early — one business she dealt with had a "100-year plan" in place for the family.

"A family meeting on a regular basis to talk about family business and how it affects them is so important," she said.

Use Of Genetically Modified Plants (GMP) In Crop Rotation Sequences With Vegetables

M.D. Orzolek
Department of Horticulture
Penn State

Within the last three years, availability of genetically modified plants, especially field corn and soybeans, has been cited as a major advancement in the production of these field crops.

Unfortunately, herbicide resistance of genetically engineered field corn and soybeans is not viewed as an achievement for vegetable growers in the state.

Glyphosate (Roundup), imidazolinone (Pursuit, Scepter), and sulfonylurea (Classic, Accent, Beacon, Harmony, Oust, Ally) resistant field corn and soybean varieties now being grown by many grain farmers can have dire consequences if placed in a rotation with vegetables.

With regard to Roundup ready corn and soybeans, while glyphosate does not cause any residual problem, spraying the corn or beans on a windy day near sensitive vegetable crops can be disastrous and result in stunting of the vegetable crop, delay in maturity, reduced yield and in certain severe cases, plant mortality. Postemergence applications of Roundup must be planned in context to the total cropping sequence on your farm and the need to identify locations where sig-

nificant economic loss can occur with drift from Roundup.

With respect to the postemergence application of sulfonylurea and imidazolinone herbicides, generally the off-target drift may not be as serious a problem as the residual effect from both of these herbicide families. Soil pH levels above 6.8 favor the persistence of sulfonylurea type herbicides that could affect some vegetable crops in rotation. In addition, sulfonylurea herbicides are applied at recommended rates of 0.5 to 6.0 ounces of active ingredient per acre.

Any increase in the rates of sulfonylurea herbicides whether for insurance or mis-

calculation can cause serious residual problems on some vegetable crops. The imidazolinone herbicides will cause similar problems as the sulfonylurea herbicides with the addition that only legumes should follow legumes with the use of imidazolinone applied herbicides. Non-legume vegetables have demonstrated severe stunting planted after an imidazolinone ready soybean crop or after application of Pursuit to labeled crops like peas and snap beans.

Use of herbicide resistant agronomic crops requires more intensive and long-range planning for vegetable growers who plant them in their crop rotation programs.

