

family business matters

The Newsletter of the Family Business Center of Hawai'i

UNIVERSITY OF HAWAII AT MĀNOA SHIDLER COLLEGE OF BUSINESS

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MESSAGE FROM THE FACULTY DIRECTOR

Each year the Family Business Alliance has a meeting of family business center directors. This year's meeting was in Hawley, Pa, which is not the easiest place to reach.

All of the centers have university affiliations, although they have a variety of operating models. One thing I did notice is that most of them had very little member involvement in program development, which is very different than the Family Business Center of Hawai'i. We have been blessed with a system where the members develop the programs. I believe this has resulted in programs over the past ten years that are focused on the needs of members because members are

best positioned to know their own needs and interests.

Myron Nakata did a spectacular job as our one-person program committee for four years. Recently, Nancy Morgan and Ana Yarawamai took over as co-chairs of the committee.

One thing that is fairly apparent is that the most interesting talks are often the ones given by our members. The problems faced and solved by members are very likely to be similar to the issues faced by other members. I encourage you to contact Nancy or Ana and volunteer to make a presentation on O'ahu or Maui. There is a degree of value associated with preparing a presentation and it is fun.



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OCTOBER ANNUAL RETREAT FOCUSES ON BUILDING TRUST IN FAMILY BUSINESS



DOUG BOX
Founder
Box Family Advisors, LLC



ED HART
Director
Center for Family Business
Mihaylo College of Business and Economics
California State University Fullerton

This year's retreat will be co-led by Doug Box, son of legendary oilman and entrepreneur Cloyce K. Box, from whom Doug gained much of his practical knowledge about family businesses. As he put it, "I did not choose to enter the field of family business. I was called to it. The call is very strong."

In 2005, Doug formed Box Family Advisors and has consulted with a wide variety of family businesses.

Ed Hart, the director of the Center for Family Business at California State University Fullerton's Mihaylo College of Business and Economics, will team up with Doug.

Before joining Mihaylo, Ed was at the Family Business Center at the Marshall School of Business at the University of Southern California. Ed has also been very active in the Family Business Directors Alliance, which is a group of family business center directors in the United States and Canada.

Doug and Ed have crafted a two-day agenda around the theme of "Building Trust in Family Business." The retreat will be held from October 17-18 at the Outrigger Reef on the Beach. Register online by October 8 at www.fbcofhawaii.org/annualretreat.

GOODFELLOW BROS., INC. SHARE THEIR FOUR GENERATION SUCCESS STORY



(L-R) J. Stephen Goodfellow, CEO of Goodfellow Bros., Inc., and son, Chad, president of Goodfellow Bros., Inc., speak at the Kahili Golf Course.

On March 27, we had our largest meeting on Maui since beginning the Maui chapter. Nearly 50 people came to hear father and son, J. Stephen and Chad Goodfellow discuss the history and keys to success for Goodfellow Bros., Inc., a multigenerational family business. The attendance was so good that we had to move out of our normal room to a larger room at the Kahili Golf Course.

In 1921, Jack, Bert and Jim Goodfellow Sr. came home

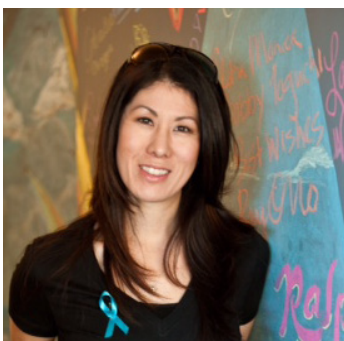
following World War I and decided to start a construction business in Wenatchee, Wa. Jack and Bert eventually dropped out of the business.

Stephen joined the business after graduating from college and he and his father Jim Jr. moved to Moloka'i to start the Hawai'i operations. Stephen's son, Chad, joined the firm after graduating from college and now serves as president of both Goodfellow Bros., Inc., and Goodfellow Top Grade Construction.

Recently the firm adopted employment practices for family members wishing to join the firm, which requires employment outside of the firm and meeting the minimum qualifications for the position.

It also outlines the firm's philosophy, which involves a commitment to being responsible and productive citizens, and to make contributions to both the company and the community.

CREATING A CONSTITUTION TO PRESERVE YOUR FAMILY LEGACY



Monica Toguchi (pictured above), president of Highway Inn, spoke on July 22 at the Kahili Golf Course.

island of O'ahu, since 1947. Recently, under Monica's leadership the restaurant opened a new store on Ala Moana Blvd. in Kaka'ako.

Monica shared her experience of creating a constitution as a way to anticipate issues that may arise. She said a family constitution prepares you to effectively deal with various matters.

Monica explained that she felt this was very valuable even though she had recently purchased the firm from her father and is now the sole owner. She pointed out that issues such as how adopted children and subsequent spouses will be treated need to be addressed in advance.

She felt that having a consultant or respected third-party was important because many of the issues that need to be worked out are often ones that family members would like to avoid.

Monica Toguchi, a long-time former member of the FBCH and the president and third-generation restaurateur of Highway Inn, spoke at a Maui chapter meeting on July 22 at the Kahili Golf Course.

A FAMILY CONSTITUTION PREPARES YOU TO EFFECTIVELY DEAL WITH VARIOUS MATTERS

Highway Inn has been an institution in Waipahu, on the



H. Mitchell D'Olier, chairman of Kaneohe Ranch Co. and Harold K.L. Castle Foundation, spoke on May 14 at the Pacific Club.

WORKING FOR A FAMILY BUSINESS

H. Mitchell D'Olier, chairman of Kaneohe Ranch Co. and the Harold K.L. Castle Foundation, spoke on, "Reflections of 22 years of leading a family business as an outsider," on May 14 at the Oahu Country Club. Mitch highlighted the subtitle of his talk, "Don't forget the family in family business."

When working for a family business, D'Olier advised to first, "Get to know the family. Meet the owners and meet the family and open lines of communication." As the outsider, he also said to do

your best to understand the difference between a family leader and the business leader. In some cases they can be the same person. He added that good family leadership makes the business leader's job way easier.

Mitch worked for the fourth generation and third generation of two family firms. He said he would love to have, in some other life, had the opportunity to talk with Victoria Ward and Harold Castle and discuss some of the things that they did that still look visionary 50 years later.

The video recording of this meeting is available in the "Members Only" section of www.fbcofhawaii.org.

COOKE FOUNDATION TRUSTEES: SIX GENERATIONS OF GIVING TOGETHER

Cooke Foundation president Dale Bachman and alternate trustees Greg Wrenn and Amber Strong Makaiau spoke on March 11 at the Oahu Country Club.

The panel outlined the history of the trust and the family, and especially emphasized how the trust serves as a vehicle to ensure that family values are maintained. Each of the speakers also made the point that serving as a trustee or alternate has been a way to reconnect with family members. The alternate trustee is a method used by the foundation to expand the number of family members involved, but is also a way to prepare for succession. Alternate trustees attend one meeting each year as well as attend in the absence of a trustee. The alternates also have a small project that they manage each year as a way to prepare them to become trustees in the future.

The great grand and great-great grandchildren of Charles Montague Cooke and Anna Charlotte Cooke, who comprise the current trustees, noted their commitment to the foundation's mission of supporting worthy endeavors in the community that the family feels will make a significant difference in the betterment and welfare of the people of Hawai'i.

They pointed out that the family's values, first enunciated by the founders are kept alive in the foundation, which now also includes a retreat where the growing number of descendants can become acquainted with other family members and also see how the good works of the foundation link to the goals and values of the founders.

 The video recording of this meeting is available in the "Members Only" section of www.fbcofhawaii.org.



Above: Cooke Foundation alternate trustees Amber Strong Makaiau and Greg Wrenn pose with Dale Bachman (middle), president of the family foundation, at the Oahu Country Club. Below: FBCH members at the March 11 meeting.

MEMBER SPOTLIGHT: ABC STORES

When did your family business start?

In 1964, the first ABC Store was opened in Waikīkī at Kalākaua and Beachwalk.

How did the business start?

My father had insight and a vision. What better place to open a convenience store where tourists can shop - of course, in Waikīkī. ABC Stores started strictly as a drug store then groceries were added. People started asking for T-shirts and other gift items so those were added, too.

How many generations are currently involved in the operations?

One generation, myself.

How is the business different today than when the business first started?

We started with a pharmacy in our stores and carried some grocery and general items. Today, some of our stores have full deli services, hot and cold grocery items, and one store in Waikoloa even has a full service bar.

What is the most rewarding part about running a family business in Hawai'i?

The way I see it, every employee of ABC Stores is my family. Our motto is "we make it, we share it." Watching all of our employees work hard and



Paul J. Kosasa
President & CEO
ABC Stores

give a 100% everyday is very rewarding.

What is the most challenging part about running a family business in Hawai'i?

Keeping everyone employed and having them save for their future.

What advice do you wish someone gave you before you joined the family business?

Don't expect praises. Competition never rests, neither should you.

What is your advice to someone who is thinking about joining a family business?

Go for it!

What would you be doing professionally if you weren't part of the family business?

My degree is in Electrical Engineering, therefore, I guess I'd be doing something in this area.

GLENN BOULWARE

Director of Business Development
Hawaiian Isles Enterprises and Holdings

DR. JOHN BUTLER *

Faculty Director
Family Business Center of Hawai'i

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JAMI HIROTA

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Sam O. Hirota, Inc.

GUY KAMITAKI

Treasurer
Maui Varieties Ltd.

CHARLES "CHUCK" KELLEY, M.D.

Chairman of the Board
Outrigger Enterprises Inc.

JENNY KELLEY, M.D.

Board Member
Outrigger Enterprises Inc.

PAUL MIZOGUCHI *

Vice President
Maui Varieties Ltd.

NANCY MORGAN

Board Member
Kualoa Ranch, Inc.

MYRON NAKATA

Former President
Acutron Co. Inc.

NELSON OKUMURA *

President
VIP Foodservice

KEN OTA *

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Pacific Pipe Co., Inc.

RYAN OUYE *

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EMALIA PIETSCH

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Retail Division Colliers Hawaii

VANCE ROLEY *

Dean
Shidler College of Business

ALVIN SANTANDER *

Asst VP and Commercial Banking Officer
Bank of Hawaii

JARED WATUMULL

Vice President
Watumull Brothers Ltd.

ANA YARAWAMAI

Owner/Member
Resort Management Group

* Maui Chapter Advisory Board

LLOYD KAWAKAMI POINTS OUT THAT LEGACIES COME IN MANY DIFFERENT FORMS



(L-R) FBCH members Myron Nakata, Jenny Kelley, Lloyd Kawakami, Russell Hata and Chuck Kelley.

On July 15, Lloyd Kawakami, owner of Iolani Sportswear spoke at the FBCH meeting at the Oahu Country Club. Lloyd focused on the difference between a family legacy and a family business. While many people think of legacy in terms of something we receive from an ancestor, such as money, he pointed out that a legacy can also be a memory of love and respect.

Iolani Sportswear was founded by Lloyd's father, Keiji, and his mother, Edith, in 1953. After coming home from school and spending several years as a musician, his first love, Lloyd joined the family business. The

business has had its ups-and-downs, as have most firms in the apparel industry. Lloyd's son joined and recently left the business to pursue another career, which is one of the things that focused Lloyd's attention on what really constitutes a legacy. Most firms fail, and those that succeed tend to have limited lives. Thus, it makes sense to think of legacies in terms other than wealth or money, especially in a family business context.

The video recording of this meeting is available in the "Members Only" section of www.fbcofhawaii.org.

UPCOMING EVENTS

2014 ANNUAL RETREAT

October 17-18, 2014

Speakers: Doug Box, founder of Box Family Advisors, and Ed Hart, director of the Center for Family Business at the California State University Fullerton

MAUI MEETING

November 4, 2014

11:30 a.m. to 1:00 p.m.

Speaker: Paul S. Lee, national managing director of Bernstein Global Wealth Management

OAHU MEETING

November 5, 2014

11:30 a.m. to 1:00 p.m.

Speaker: Paul S. Lee, national managing director of Bernstein Global Wealth Management

OAHU MEETING

January 27, 2015

11:30 a.m. to 1:00 p.m.

Speaker: John Carpenter, owner of Island Slipper Factory, Ltd.

MISSION OF THE FAMILY BUSINESS CENTER OF HAWAII:

Equipping, Educating and Celebrating Families in Business

The Family Business Center of Hawai'i is a nonprofit, member-based forum, housed within the Shidler College of Business at the University of Hawai'i at Mānoa. Administrative support for the FBCH is provided by the Pacific Asian Center for Entrepreneurship.



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