

FAMILY BUSINESS MATTERS

The Newsletter of the Family Business Center of Hawai'i

WINTER 2017

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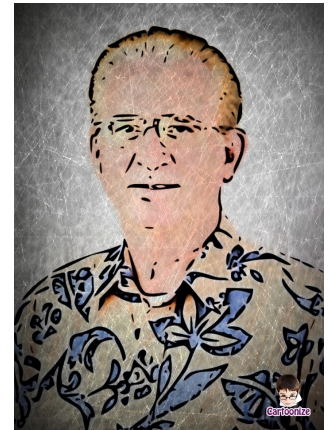
We have been so busy that I have not been able to get out a newsletter for quite a while. Part of the delay is related to our success with high levels of meeting attendance for our Oahu, Maui and Hilo chapters. However, we are about to add an additional person in our Pacific Asia Center for Entrepreneurship, which will add to our production capacity.

We have also been fortunate to have Dr. Marjan Houshmand now serving as the Assoc. Faculty Director of the FBC, which has allowed us to add a new recap feature at the end of our meetings. March marked my twelfth year in this position. It has been a great experience and I have learned a lot about families and family businesses. I have also made a lot of great friends.

A relatively recent highlight was the inauguration of a new chapter in Hilo, with a kickoff meeting on August 14, 2016. They have had three regular meetings. Eddie Flores,

Founder and CEO of L&L Drive-Inn and L&L Hawaiian Barbecue, and Elisia Flores, Chief Financial Officer of L&L Hawaiian Barbecue spoke on July 19, 2017, Nelson T. Okumura, President and CEO, Valley Isle Produce Inc. spoke on November 3, 2017 and most recently Paul Uyehara, President of Aloha Tofu Factory, Inc. spoke on Jan. 9, 2017. Thanks to the efforts of Mike Miyahira of Business Strategies for the grounding work on starting this chapter and to Steve Ueda, President of Suisan Company Ltd. for joining the FBCH Advisory Board as the representative from the Big Island.

We always like to hear of any ideas you have to improve our programs and especially appreciate it when members are willing to talk about their family business. Presentations by family members about their businesses are usually the most highly attended sessions that we have. I have also noticed that I tend to hear fewer cell phones during these presentations, an indicator of audience interest. Volunteer, it is fun. We are especially looking for members who would be willing to talk to our Hilo and Maui Chapters.



John Butler
Faculty Director
Family Business Center of
Hawai'i

Harold and Sandy Noborikawa
Endowed Chair in Entrepre-
neurship

BUSINESS CONSULTING RESOURCES 36 YEARS YOUNG



Jean Santos, Laurie Foster and Ken Gilbert (left to right) Senior Consultants/Partners at Business Consulting Resources

Anyone who has attended one of our Family Business Center Annual Retreats knows of the Yeoman work that Ken Gilbert put in each year to make the event a valuable learning experience. This year BCR (Business Consulting Resources) celebrates its 36th. birthday. Ken and his spouse Jean Santos founded the firm which is both known and respected for their expertise in helping to assist family businesses. It helps that BCR is also a family business.

The firm also has expertise in helping firms formulate strategy, executive and life coaching, organizational development and human resources, among other things.

BCR has been a member of the Family Business Center from the time we were founded in November of 1995. Ken has been a member of our Advisory Board since then and served a two year term as the Chair. He has also made presentations related to his family business expertise for both our Oahu and Maui Chapters.

Happy birthday to BCR and many happy returns.



Jared, Vic, Gulab, JD and Jojo Watumull (left to right) pose for a picture in a remake of one of their original shirts after making a presentation at the Oahu Country Club.

WATUMULL-FAMILY MEMBERS MAKE PRESENTATION.

THE BUSINESS FOUNDED IN 1915, WATUMULL BROTHERS, LTD. HAS BUILT A REPUTABLE LEGACY IN OUR ISLANDS THROUGH ITS SUCCESSFUL RETAIL, MANUFACTURING AND REAL ESTATE OPERATIONS, AS WELL AS THROUGH THE FAMILY'S PHILANTHROPIC CONTRIBUTIONS.

MARC DELAY OF JAYCO HAWAII SPEAKS TO FAMILY BUSINESS CENTERMENBERS ON OAHU

Marc Delay, the president of Jayco Hawai'i, Inc., spoke to the FBCH on Wed. March 15th at the Oahu Country Club. Jayco Hawai'i is a third generation family firm that fabricates and installs architectural metal products. Marc started working at the firm part time when he was still in high school. He pointed out that this is not something you can learn in school and that on-the-job training is needed. This also characterizes a business where having the next generations working for another firm may not result in them bringing much value added to the family firm. Marc's wife and brother are also active in the work, which also has a facility in California.

Marc had been working in the firm and when his uncle retire he purchased the firm. The current construction boom has resulted in their fairly dramatic expansions during the past 6 years, after Marc took over the firm.

Some of their more spectacular wall panels that they have fabricated can be seen on the Embassy Suite building at the Beach Walk in Waikiki and above the doors as you enter the Hawai'i Convention Center.



Speaker Marc Delay having an after presentation discussion with Gary Thompson from Central Pacific Bank

As a new feature we instituted a recap feature which has Dr. Marjan Houshmand, a Shidler College of Business Professor and Associated Faculty Director of the FBCH highlight how the presentation related to some of her research in the area of family business as well as some other empirical studies that supported some of the issues March raised in his presentation.

If you missed this meeting the presentation was video recorded. Members can assess it at the Family Business Center of Hawai'i web site (<http://fbcofhawaii.org/>). There are a number of past presentations that are also available for viewing. You will need a password to access the videos. If you don't have one just email fbch@hawaii.edu.



Jayco Hawai'i's fabricated wall panels at Embassy Suites in Waikiki



Jayco Hawai'i's panels at the Hawai'i Convention Center.

BOOK OF INTEREST TO BOTH FAMILY BUSINESSES AND THOSE WHO ADVISE FAMILY BUSINESSES



If it wasn't difficult enough to successfully operate a family business already, modern times require that one also has to recognize the impact of globalization on both the family and business dynamics. Dennis Jaffe (author of *Stewardship in Your Family Enterprise: Developing Responsible Family Leadership Across Generations* and *Working with the Ones You Love*) and James Grubman (author of *David and Goliath* and *Strangers in Paradise: How Families Adapt to Wealth Across Generations*) have addressed these cross cultural issues in their new book entitled *Cross Cultures: How Global Families Negotiate Change Across Generations*.

Businesses in Canada, the United States, most of the Northern European countries, Australia and New Zealand tend to have individualistic cultures. However, the authors point out that in East and Southeast Asia family harmony is much more important. In Latin America, Southern Europe, Middle East, Africa and India family honor play a role in the operation of the family and the family business. As successful family business send their children to study in foreign universities attitudes towards issues such as business succession, family constitutions

and the role the patriarch are brought home and are often not appreciated in countries where harmony and family honor are more important.

The authors refer to this process as "The Journey Across," which reflects the blends of attitudes that occurs in family businesses as they fuse across cultures. This is something that family businesses in Hawai'i have been doing for a longer time than in most areas of the world. The authors provide a number of examples from their consulting experience that show how both the younger and older generation have adjusted, or failed to adjust to the clash in cultural perspectives. They provide some guidance on how different family members can focus on maintaining the business (Father), maintaining family harmony (mother) and preserve family relationships while supporting the firm's leadership (children).

This book is a little different in that it attempts to provide guidance to both family businesses across a very wide cultural area and to family business consultants. It also provides some advice on firms that are successful because their next generation will grow up with a very different set of experiences than the generation that build the business. They provide a number of case studies that relate to founders who complain their children don't work hard enough and don't appreciate the value of money and that they often do not want to work in the family firm.

This book is packed with practical advice and at 140 pages is an easy read, which is good because at a price of \$35.00 you would want multiple family members to read the book.

FAMILY BUSINESS CENTER PHOTO GALLERY



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Equipping, educating and celebrating families in business.

(Mission of the Family Business Center of Hawai'i)

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Chairman and CEO
KTA Super Stores

TOBY TANIGUCHI
President
KTA Super Stores

STEVE UEDA
President and CEO
Suisan Company, Ltd.

Upcoming Events:

April 7 – Big Island Meeting

Ruth Uejio, Fukunaga Family Council Chair (Servco Pacific, Inc.)
will speak on "Family Council Strategies: What's worked for the
Fukunaga family."

April 13 – Maui Meeting

The mother daughter duo of Gerri Hayes and Wendy Shewalter from
Office Pavilion will speak

May 9-Next Oahu Meeting

Gina Mangieri, Co-Owner of The Cole Academy will speak.
11:30 a.m. to 1 p.m. at the Oahu Country Club.

For other upcoming events, please check the website at fbcofhawaii.org.

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