

family business matters

The Newsletter of the Family Business Center of Hawai'i

UNIVERSITY OF HAWAII AT MĀNOA SHIDLER COLLEGE OF BUSINESS

VOLUME 13 NUMBER 4 | FALL 2020



MARJAN HOUSHMAND
Faculty Director
Family Business Center
of Hawai'i

Endowed Chair in Professorship
Associate Professor
Shidler College of Business
University of Hawai'i at Mānoa
Email: marjanh@hawaii.edu
Phone: (808) 956-8720

IN THIS ISSUE

1. `Ohana as Interconnected Systems in Business and the Environment
2. Impacts of Covid-19: Beginning, Present & Beyond
3. Positioning for Business Growth in 2021: Global Trends, Leadership and Questions to ask yourself
4. All Chapters Virtual Social Event Chocolate Tasting with Maui Ku'ia Estate

MESSAGE FROM THE FACULTY DIRECTOR

Change is the essence of this world, and this year has been a reminder of how quickly and unexpectedly our way of life can change in unimaginable ways. The Family Business Center of Hawai'i has witnessed its own major changes this year. After holding our annual retreat for 13 consecutive years, due to the current COVID situation we had to cancel the retreat for this year. Another key but expected change for me has been Dr. Butler's retirement in August, and my transition to the new role of Faculty Director of the FBCH. This role bridges research, teaching, and the family business community by connecting theory and practice.

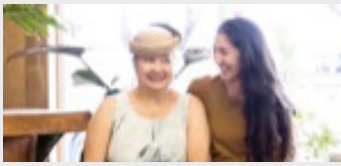
I came to Hawaii in September of 2015 from Vancouver, Canada, after completing my Ph.D. studies in Business Administration with a focus on family business. Since arriving, I have felt deep gratitude for my good fortune as part of the Shidler College of Business and the Family Business Center of Hawai'i. Family, friends, former colleagues and even strangers I encounter at academic conferences ask about living in Hawai'i. While the length of my answer may vary, the core of my message stays the same: it's the people of Hawai'i who make living here so special. And it is the members of the FBCH who make our center unique compared to family business centers anywhere else. A very big thank you to all for your warm presence, great conversations, and kind support throughout the years. I am truly grateful and excited to serve the FBCH in this new capacity.

Since the start of the pandemic, the FBCH has gone virtual. The virtual world has brought new opportunities in terms of connectivity. The FBCH has held numerous events and social gatherings that members from all over the islands have been able to attend and connect with each other. During these challenging times, tapping into a community is an especially valuable resource; we are fortunate to have such a tight community. In the past several months we have heard from our own members, discussing how their business and family are navigating the uncharted territory of our current reality. Their openness in sharing their stories has helped us better understand the shared pain we feel as a community while making us hopeful for new possibilities. We held a couple of fun virtual social events, thanks to the creative efforts of the programming committee. In particular, the virtual chocolate tasting by Maui Ku'ia Estate Chocolate was a big success.

I would also like to share good news from the college. This year we have welcomed Alysha Hachey, a first-year Ph.D. student who is interested in learning about and researching family businesses. Alysha comes from a family business herself and understands many of their unique characteristics firsthand. With the support of the FBCH and Shidler College of Business, for the first time, a group of four undergraduate students representing Shidler and Hawai'i has participated virtually in the Schlesinger Global Family Enterprise Case Competition (October 2020-January 16, 2021). So far they have completed the first round with Honor Certificates and received recognition as one of the Top 5 teams as they advance to Round 2 of the competition with 14 other universities from all over the world. This is a notable achievement, as many teams bring more years of experience to the competition. We are proud of them and wish them success in the subsequent rounds.

As we reflect on the past months, 2020 has brought unprecedented change and challenges, but also opportunities. Thanks to each and every one of you, as together we are finding new ways to connect and push forward. Wishing you and your loved ones much aloha and a safe and joyous holiday season!

‘OHANA AS INTERCONNECTED SYSTEMS IN BUSINESS AND THE ENVIRONMENT FBCH HAWAI‘I ISLAND CHAPTER MEETING - AUG 25, 2020



In August, we were fortunate to have the dynamic duo of mother-daughter Michele Zane-Faridi and Shadi Faridi share their experience running a family business and their commitment to preserving the Hawaiian art form of traditional lauhala weaving.

Michele grew up in Kaneohe, O‘ahu and eventually found her way back to Hawai‘i Island, where the family opened their store in 1993. Michele’s daughter Shadi recounted the experience of being raised in the store and how she never left. Together they run Hana Hou in Hilo; Shadi has started her own store within a store, Cultivar Goods.

The origin of their store began as a part-time antique shop but has since grown to a retail space of almost 3,000 square feet, including a workshop space designed specifically for classes on traditional lauhala weaving, and Shadi has started a zero-waste store where she offers environmentally focused goods and earth-friendly products.

Shadi remembered her 4th grade business plan, where she created business cards and an outline of her prospective store. She explained that to this day the store has a similar layout to the one featured back then.

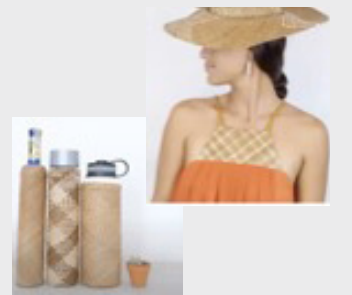
Lauhala weaving is practiced as a family. It involves preparing kits for workshops, processing fibers, and cleaning the lauhala, which they consider a labor of love.

Michele walked us through her journey of learning the craft of traditional lauhala weaving. “It is part of our commitment to the store Hana Hou to perpetuate the art and technique of lauhala weaving from Hawai‘i, which was almost a lost art form.” She added, “The money coming from the business is a product of perpetuating [the art and tradition] that we love.”

In discussing the strengths and challenges of running a family business, Shadi noted that “not all seasons, as we know this season, are a success, and in those times you need each other to lift you up.” She also noted, “COVID has pushed us to adapt to running an online store and how can we tell and share our story without being in person. We’re still learning!”

Asked about her motivation to become part of a family business, Shadi said, “Working with family, paying the bills, and spending time with the people you love the most, it’s a win-win.”

The business has been in operation for 28 years. They now do workshops, collaborate with local designers and artists, and their sales have grown through their evolution. This year they were voted the Family-Owned Small Business of the Year by the Small Business Association.



THE IMPACTS OF COVID-19: BEGINNING, PRESENT AND BEYOND FBCH O‘AHU CHAPTER MEETING - SEPT. 30, 2020

Three community-oriented and engaging panelists shared their experiences on how COVID-19 has affected their family businesses. John Morgan, Emily Porter, and Toby Taniguchi, moderated by Tiffany Richardson, discussed challenges, changes, and how they intend to emerge even stronger, once the gates reopen to the state of Hawai‘i.



Tiffany Richardson, President of Current Affairs, moderated a meaningful discussion on the impacts of COVID-19 on family businesses. Tiffany grew up in a family business

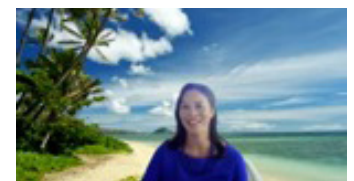
that her father started in 1984. She opened the panel with a quote from Walt Disney: “We keep moving forward, opening new doors and doing new things because we’re curious, and curiosity keeps leading us down new paths.” She continued, “We as business owners are expected to keep our entrepreneurial hats on and move forward at all times. We must remain resilient.”

Kualoa Ranch is a private 4,000-acre nature reserve, founded with the goal of protecting and enhancing the natural beauty of the land while developing sustainable, recreational, agricultural, and aquaculture enterprises that are compatible with the environment.



John Morgan, President, CEO, General Manager, Main Landscape Architect, & Chief Creative Officer, shared his experience managing the family business through the pandemic. After visitor counts dropped by 90% in June, resulting in the furlough of hundreds of employees, John described how he created an open-door policy for employees who wanted to come back in an essential capacity such as construction, maintenance, or agriculture. He also discussed the ways they were able to pivot during the pandemic, offering a farm-to-car program, concierge farmers markets, and educational programs such as a small-group experience.

MacNaughton is a family-owned enterprise of innovative real estate developers and investors. Emily Porter, COO & VP of MacNaughton, discussed some of the changes they faced, such as the need to cancel a number of large-scale events and embrace CDC guidelines. They worked with non-profits to support the community in various ways, making properties available for mask distribution and some COVID testing. As Emily explained, MacNaughton was fortunate in its ability to have everyone work safely from home.



THE IMPACTS OF COVID-19: BEGINNING, PRESENT AND BEYOND (CONTINUED FROM PAGE 2)

Emily shared some of the fun things they were able to do to protect their staff and the community, such as putting together sanitation gift baskets and writing messages like “Hey, you look great in your mask, thanks for wearing it” on the mirrors of their shopping centers. To support mental health, they came up with innovative ideas like online family dance parties, drive-in movies in their parking lot at Kapolei Commons, and a drive-in concert series designed to help local musicians who could not perform in their typical venues.

KTA Super Stores is a homegrown, locally-owned grocery store chain established in 1916, today proudly serving 7 locations on Hawai'i island. The family business employs 850 associates, including six family

members, each actively involved at various levels within the organization.



Toby Taniguchi, President & COO of the family business shared the importance of being prepared and transparent during the pandemic. He discussed how the company has remained intentional in terms of the safety of its associates, communities, and business partners.

In response to the pandemic, KTA Super Stores started kapuna hours to protect the seniors in the community.

They also pared back store hours, to both maintain sanitation practices and ensure that the essential workers who support the community had time to rest and recover.



UPCOMING 2021 EVENTS MARK YOUR CALENDAR!

- Fri, January 15, 2021, 12:00pm-1:00pm
Maui Chapter Virtual Meeting (open to all)
Speaker / Topic: TBA
- Wed, January 20, 2021, 11:30am-1:00pm
O`ahu Chapter Hybrid Meeting (open to all)
Location: Announced via email
Speaker: Stanley Lau, Hawai`i Tech Support
Topic: Insecurity About My Cybersecurity
- Wed, Feb 17, 2021, 12pm-5pm
Next Generation Peer Group Meeting
Location: Announced via email
- Fri, Feb 19, 2021, 12:00pm-1:00pm
Hawai`i Island Chapter Virtual Meeting (open to all)
Speaker / Topic: TBA

POSITIONING FOR BUSINESS GROWTH IN 2021: GLOBAL TRENDS, LEADERSHIP, AND QUESTIONS TO ASK YOURSELF



Noel Pacarro Brown, CIMA® Family Wealth Director & Wealth Advisor of The Conscious Wealth Management Group at Morgan Stanley spoke on positioning for business growth in 2021. She and her mother Gwen Pacarro shared their insights into trends, leadership, and questions to ask yourself.

Gwen founded the family business in 1983. She shared how the world has changed, and how important it is to be able to pivot. She discussed developing a team with next-generation partners, she called

such partners interpreters, since we now communicate in a new global language of terabytes, cloud storage, Zoom, and streaming video. Gwen explained that data show how the next generation navigates change and how they may be more willing to adapt than older people. “We as the older generation must embrace their new ideas and rejoice in the collaboration and time we have with them, and they must understand the success we have enjoyed until this point, and respect and cherish the relationships and networks we have nurtured over the years.”

In the presentation, Noel covered growth, demographics, and innovation. She discussed macro trends and what they mean to individual businesses. One global trend mentioned was the shrinking

US share of global GDP (25% in 1998, 19% in 2018). As Noel presented a story of demographics, she shared that in order to be relevant, “we have to maintain influence as an economy, not based on our demographics but actually based on something else that I would argue is going to be intellectual property, innovation, IP, because our whole economy is set up for that.” Noel also noted that when “you look at the S&P 500 and the value of companies, the way they are valued, 80% of their value is actually based on intangible property.”

Noel presented facts about the Global PMI (Purchasing Managers' Index) and explained that there certain economies over the next few years (in the short term) will actually get ahead, from a global standpoint, because they have managed the virus in a very effective way. As she noted, “It could be that other parts of the world will get back on track more quickly than we are, purely because we didn't have the same level of recovery and response to COVID in 2020 as other parts of the world”.

****LAUREN ARAKI,**
Managing & Marketing Director
Waipi'o Valley Trading Co. dba Kuhio Grille

CHAD BLOOM, Vice President - Zelinsky Company

SARAH BOW, President & COO
Bow Engineering & Development, Inc.

JAMI BURKS, President
THE MAKANA Aloha Foundation

ELISIA FLORES, CEO & Vice Chair
L & L Hawaiian Barbeque

****KEENE FUJINAKA,** VP & East Hawai'i Market Manager
- Bank of Hawai'i

***KENNETH M. GILBERT,** Senior Consultant/Partner
Business Consulting Resources, Inc.

***DR. MARJAN HOUSHMAND,**
Faculty Director - Family Business Center of Hawai'i

****DAVID HONMA,**
Senior Vice President & Island Manager
Bank of Hawai'i

GUY KAMITAKI, Treasurer - Maui Varieties Ltd.

****WAYNE KAMITAKI,** President - Maui Varieties Ltd.

CHARLES "CHUCK" KELLEY, M.D.,
Chairman of the Board - Outrigger Enterprises, Inc.

***GINGER LUCY,** Assistant Vice President
Trilogy Excursions

JOHN MORGAN, President
Kualoa Ranch Hawai'i, Inc.

MYRON NAKATA, Former President
Acutron Co., Inc.

***NELSON OKUMURA,** President - VIP Foodservice

***RYAN OUYE,** General Manager
Service Rentals & Supplies

TIFFANY RICHARDSON, President
Current Affairs-An Event Production Agency

***DR. VANCE ROLEY,** Dean
Shidler College of Business

***ALVIN SANTANDER**
Assistant VP and Commercial Banking Officer
Bank of Hawaii

WENDY SHEWALTER, CEO - Office Pavillion

****TOBY TANIGUCHI,** President - KTA Super Stores

****STEVE UEDA,** President & CEO
Suisan Company, Ltd

JARED WATUMULL, Vice President
Watumull Brothers, Ltd.

LIA YOUNG-HUNT, President
Goldwings Supply Service, Inc.

** Maui Chapter Advisory Board
**Hawai'i Island Chapter Advisory Board*

POSITIONING FOR BUSINESS GROWTH IN 2021: GLOBAL TRENDS, LEADERSHIP, AND QUESTIONS TO ASK YOURSELF (CONTINUED FROM PAGE 3) O`AHU CHAPTER - NOV. 13, 2020

Noel also addressed the changing consumer and suggested looking to China and to younger folks. She mentioned that Millennials and Gen Z are now the largest generations in the workforce, they are all tech natives and focused on global trade and sustainability, and there is room to grow in such a market.

Noel discussed how Millennials are consuming and investing with consideration for environmental, social, and governance (ESG) factors. She suggested taking this time to consider how we are positioned in terms of Millennials and for the Asian consumer.

As Noel noted, "There is more interest in ESG in China than anywhere else in the world. Some of the largest companies (Alibaba, Tencent, Baidu) score super highly on ESG frameworks." She explained that "they are seeing firsthand, whether they are employees or consumers, that these leading companies are the ones that are growing the fastest, and they want to associate with that."



**ALL CHAPTERS SOCIAL EVENT - FRI, NOV. 20, 2020
A VIRTUAL CHOCOLATE TASTING CURATED BY CEO,
DR. GUNNARS VALKIRS OF MAUI KU`IA ESTATE CHOCOLATE FARM**

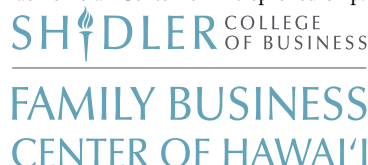


- ~ "Well done, your passion is contagious" ~ "Great event, thank-you everyone"
- ~ "Love your chocolate, love your mission. Mahalo for pursuing your passion"
- ~ "This is such a fun and informative event. Mahalo. Thank you for your passion for this special chocolate, it's contagious."
- ~ "This was one of my favorite Zoom activities." ~ "Thank-you, what an awesome event"
- ~ "The chocolate tasting for the UHFBC you did was fantastic! It exceeded my expectations and we had a wonderful time with the whole family gathered around the computer drinking wine, enjoying chocolate and learning alot."

**MAHALO TO DR. VALKIRS AND THE MAUI KU`IA ESTATE TEAM!
MAHALO TO ALL FBCH MEMBERS WHO ASSISTED
WITH THE LOGISTICS OF THE EVENT.**

**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.



Michelle Moku, Program Manager
Direct Email: mokum@hawaii.edu
Family Business Center of Hawai'i
Shidler College of Business, 2404 Maile Way, Honolulu, HI 96822
Phone: (808) 956-0295 • Fax: (808) 956-5107
Email: fbch@hawaii.edu • Web: www.fbcofhawaii.org