

FAMILY BUSINESS MATTERS

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UNIVERSITY OF HAWAI'I AT MĀNOA SHIDLER COLLEGE OF BUSINESS

MESSAGE FROM THE FACULTY DIRECTOR

HELLO SUMMER!

As we are embracing the summer time and reflecting on the programs we have had in the first half of the year, it is clear that despite all the Covid related challenges we have faced, the Family Business Center of Hawai'i is thriving. This is a testament to the resilience of our members and their commitment to the FBCH community. A very big thank you to you all!

We specifically remember a dear friend and member—Myron Nakata who made significant contributions to the advancement of our organization. He is surely missed.

We always appreciate hearing from you. If you any ideas how to improve our programs or willing to talk about your family business at one of our events, please email Cara at fbch@hawaii.edu.



MARJAN HOUSHMAND
Associate Professor
Faculty Director Family
Business Center of Hawai'i



Big Island Chapter "No holds barred"
panel presentation

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A PRESENTATION BY JOHN UEKAWA, GENERAL MANAGER AND PRESIDENT OF NEW CITY NISSAN

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John Uekawa, President and General Manager of New City Nissan, graduate of Castle High School and the University of Hawaii, was the speaker for our January meeting.

John started out working as a Marketing Coordinator at Servco Pacific. During his 10 years with the company, he was promoted 9 times, becoming an Assistant Vice President in 1990. From there, he worked as Dealer Operations Manager for four years at Mazda Motor of America. Later, John was approached by a few partners to acquire a Nissan dealership, which has become the largest volume dealership in Nissan's northwest division.

In 2016, John was awarded the Maryknoll Kekumano award for service, which honors individuals who have given back to the community through volunteer work and philanthropy.

He shared his experience through stories of growing up, as a JV baseball player, and working as a grocery store cashier. John learned willpower, perseverance, and created his motto: "nobody can take anything away from me unless I give it up first".

John met his wife Sally in 1985 and recounted how he started his new role at Mazda Motor of America on the day his daughter was born. A testament to his dedication and work ethic, which is also evident in the success of New City Nissan. From the very first month they opened in August 1995, and every month thereafter, he has never lost any money to the dealership. 365 consecutive months of profitability and still counting.

He shared "Consistency is the key element of what leadership is all about" and you should not be afraid to fail, as it is what you do after that really counts. When discussing the role of management, he added that "everyone has gifts, it just takes a good manager to find them." Lastly, he shared that "one of the hardest things to do in life is to blame yourself."

For 5 years, he worked 6 to 7 days a week, 12 to 16 hour days. John shared that his kids were often asleep when he left for work and when he returned, so Sally, would bring the kids to the dealership 3 times a week to have dinner as a family.

John concluded his presentation with some beautiful pieces of advice. "Make goals that span 10 years out." He explained that long-term goals are important. Also "success doesn't happen without a supporting cast". John attributed his success to the support of his family (wife, Sally, and their children, Heather, Hillary and Mark).

We were very fortunate to have John share his journey, experiences and advice with us in the January FBCH meeting.

Family Business Resiliency

Family businesses have quickly adapted to respond to challenges presented by the pandemic, they have demonstrated resilience, and in some cases, even thrived. Research has compared their performance to their non-family firm counterparts and examined the factors such as family involvement, flexibility and long-term orientation which have contributed to their pandemic performance and enabled them to rely less on layoffs.

Longevity & Flexibility

Research has also found that family businesses with a long-term orientation continually overperformed non-family firms, displaying more resiliency over the course of the pandemic. Family-owned companies have also demonstrated a great deal of flexibility; making decisions and adapting quickly to reconfigure resources in response to supply chain disruptions and labor shortages.

Moving Forward

As family businesses continue reflect on lessons learned and plan ahead, research recommends considering four COVID-driven areas. 1) The pandemic accelerated digitalization and continuing to harness digital technologies will help firms stay competitive and win market share. 2) Virtual work has led to a geographic shift in labor from major metropolitan areas to smaller cities. Family-owned companies may consider how these shifts will impact their access to talent and ways they can invest in growing communities. 3) Many leaders put their transition plans on hold amid the pandemic. Research shows that legacy planning will be exceedingly important moving forward as ~35% of family business CEOs in the US are 72 years of age or older. 4) The fourth COVID-driven area is maximizing employee resilience. It is important to recognize the stress and fatigue that result from the pandemic, social, racial and international upheaval from the past few years. Family-owned enterprises are especially known to be relationship-oriented and to care for their employees. Many businesses are offering employees resources to enhance well-being in various ways such as videos on practicing mindfulness, expanding childcare and counselling resources and/or promoting health and wellness activities.

In response to the challenges presented by the pandemic, family-owned businesses have leveraged the family factor and research has found that family businesses have been outperforming their non-family counterparts. Looking to research can help family firms recognize trends and continue to adapt and plan ahead toward a post-covid world.

(References available upon request)

Family Involvement

The study also found there to be an increase in family involvement in response to COVID-19. In many cases, senior family members re-engaged in the business to ensure the family vision and values remained, and to provide a historical context while navigating the pandemic.

Employment

A global family business survey reported on how family firms approached COVID-19. Over the course of the pandemic, family-owned businesses resorted less to furloughing their staff. While the study found global employment reduction to be 10.24% among non-family businesses, employment reduction among family firms was only 8.56%. In addition to seeking to limit layoffs, family firms also found ways to support their local communities.

IN MEMORY OF MYRON NAKATA

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DONNEL NUNES PRESENTS

'EFFECTIVE COMMUNICATION: BUILDING THE CAPACITY GIVING AND RECEIVING FEEDBACK'

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In the March Oahu Chapter Meeting, Donnel Nunes presented on the value of feedback for your business and family and the differences between effective and ineffective feedback.

Donnel is a recognized international thought leader on mentoring relationships between family members and he is an Associate at the Aspen Family Business Group LLC. Further, he is a licensed therapist working since 2003 with families and individuals. He specializes in building the capacity of families in business to manage interpersonal conflict and intergenerational learning.



Donnel started by introducing the term undiscussables - the unexpressed thoughts and feelings that could help teams work more productively if they were tackled head on. He explained that when undiscussables are left unaddressed, they are an impediment to progress, and they get in the way of teams being able to be effective. He added "when you improve your capacity to communicate, you change what's possible in your family system. And when you change what's possible through effective communication, you also elevate the potential of better outcomes."

In his presentation, Donnel discussed effective communication as it relates to structure, safety and skills. He described key communication skills to develop such as self-awareness, self-management, active listening and paraphrasing, listening to understand, and feedback.

Focusing on feedback, Donnel defined it as "providing information to a person about some specific aspect of their behavior and the impact on you or the team." He described the ability to give effective feedback as one of the most critical skills a leader can have because when a leader can give effective feedback, it breeds a culture of that in the organization. He added that it is also valuable to give good feedback to our family members, colleagues, spouses, friends and children. He explained that many people do not know the difference between effective and ineffective feedback and detailed the differences. He discussed some of the characteristics of helpful feedback as: descriptive, specific, solicited, consistently given and feedback that addresses both strengths and weaknesses. He also discussed some of the characteristics of non-helpful feedback as: evaluative, general, imposed, randomly given and feedback that deals with only strengths or weaknesses.

Donnel also suggested other ways to get more feedback such as peer groups, leadership development programs, coaching and psychological assessments. He also noted that in some situations there are other things that need to be addressed before people are able to get to the capacity for delivering feedback in this way. In such circumstances, he suggested that one of the best things to do is to start modeling this behavior and to start asking for feedback. He also added that in a family business, any family member at any time can choose to introduce wellness (or dysfunction) into the family system, and that they are both contagious. Therefore, there is an opportunity to have an influence that is intentional and will contribute towards growth.



Barron Guss, President and CEO of ALTRES, shared their family story and personal journey at the Oahu Chapter Meeting in May.

Barron is the second-generation owner of ALTRES, a company that began providing HR & staffing services to local employers in 1969. ALTRES family of companies is comprised of simplicity HR, four specialized staffing divisions (ALTRES Office, ALTRES Technical, ALTRES Industrial and ALTRES Medical), Homecare by ALTRES and Real Jobs Hawaii. In 2019, the ALTRES Foundation was launched, which was able to take a lead role in ensuring that no community was left without food amid the pandemic.

Barron shared that in 1912 his grandparents had emigrated from Poland to Salt Lake City, UT. Barron described that his grandparents had *"come over with nothing and they worked together with the power of family to succeed."* His father, Bill Guss, was the youngest licensed cattle dealer and joined the military before getting married in 1947. Barron described his father as enterprising and decided to become a real estate developer in California. Barron shared that his mother was quite ill and that his father wanted to make his wife happy, which led to their relocation to Hawaii.



After relocating, Bill opened a labor services company in 1969, providing Oahu shipyards with a flexible workforce. He would raise a blue flag from his Waikiki office, signalling to surfers there was work available that day. Continually recognizing opportunities, ALTRES began providing payroll and HR support to companies with Hawaii-based employees. ALTRES has continued to grow has celebrated over 50 years of business in Hawaii.

In the presentation, Barron talked about his children and succession and said "Business was always a dinner table conversation – our family was our business.. it still is." Further, Barron shared many succession lessons, including the following:

"Let your kids know they are loved. Take every opportunity to teach them. Introduce them to other business leaders and trusted advisors."

"Share your plan"

"Be kind-but tough"

"You can own the company without running the company"

"Love your children for who they are, not what you want them to be."



Raquel, Barron's daughter, is a part of the third-generation leadership of ALTRES. After earning a degree in broadcast journalism on the East Coast, she worked for major news networks and then became the number one salesperson for a global supply chain company. She shared "I love being a part of ALTRES, but at the time, I needed to figure out who I was as an individual." She was soon promoted to General Manager and explained "I didn't realize at the time that I was chasing a title, and what I was really yearning for was purpose, and ALTRES was my purpose."

Raquel also shared her insights on navigating the parent-child relationship and her decision to come home. She said, "finding and figuring out for yourself that you're in a place that you're ready to come home is not an easy feat." She added that when people ask her how she feels about her decision to come home she says, "it's the best decision I've ever made."

SUCCESSION: AN HBO ORIGINAL TV SERIES FOCUSING ON FAMILY BUSINESS

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Family businesses are everywhere and certainly one can find many examples in the entertainment industry. It is not surprising that many TV shows and movies centered around family business themes.

Succession is an example of TV series centering on family business. The series covers many family business issues including ownership structure

and governance, communication, conflict, board of directors, next-generation family-business members, in-laws, and of course following its namesake, succession planning and transfer of power.

Succession debuted in October of 2018, it now has three seasons on HBO and has been renewed for a fourth season, expected later this year. The series highlights many family business related themes and lessons on conflict and communication as the Roy family navigates and manages their family-owned company.

In this comedy-drama series, the CEO of a global media conglomerate (Logan Roy, played by Brian Cox) contemplates retirement and considers passing the torch to one of his four children. The series depicts the dysfunctional dynasty amid the uncertain health of the family's patriarch and the importance of family relations on business outcomes.



We would like to hear from you. Please let us know which family business movie or TV series is your favorite and why?

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RAINBOW DRIVE-IN,
ON COOKING
HAWAIIAN STYLE



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COMING UP...

August 10, 2022

Leslie Dashew & Donnel Nunes,
*Building the Communication Bridge
Between the Generations*

September 9, 2022

NGPG - Community Service project
at Papahana Kuaola

September 29 & 30, 2022

Annual retreat - Prince Waikiki