



THE FAMILY BUSINESS REPORT

Solutions, technologies and shared experiences unique to the family or privately held business.

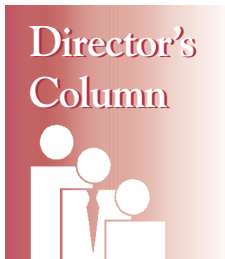


Who Will Be the Goering Center's Tri-State Family Business of the Year 2002?

W. Kent Lutz, Director

Goering Center for Family & Private Business

The Goering Center and the University of Cincinnati are very pleased to announce the third annual Family Business of the Year event presented by Fifth/Third Bank. The event will honor 12 family businesses in the Tri-State area (four winners and eight finalists) who exemplify the true meaning of being a family business. Awards will be given in the following categories: a family firm with over 100 employees; a family firm with under 100 employees; a family firm with innovative business practices; and a family firm with outstanding community service. Last year's winners included: The Habegger Corporation (over 100 employees); Paul Hemmer Companies (under 100 employees); Mercury Instruments, Inc. (Innovation) and Scherzinger Pest Control (Community Service). Competition is keen for the companies that are recognized (there were over 200 nominations last year for the twelve awards given), but everyone is encouraged to participate.



The event is scheduled to take place the evening of August 27, 2002, from 6 to 9 p.m. at Cincinnati's Music Hall. Last year we hosted nearly 600 attendees. This event is a unique community-wide opportunity to bring together family businesses from across the Tri-State region to honor their own for a job well done in areas such as: succession planning; estate planning; strategic planning; using an outside board of advisors; and communicating more effectively through a family council. The

evening is also a chance to recognize the enormous economic and social impact that family firms have made, not only in our local community, but also in the world at large. It's a wonderful opportunity to meet and network with some of the most influential business and professional leaders in our community.

Another important goal of the evening is to fund a scholarship to provide financial support to outstanding students who wish to pursue studies in entrepreneurship and family business. The Management Department within UC's College of Business Administration, under the direction of Dr. Sidney L. Barton, offers one of the few such integral concentrations in the country.

With additional resources, UC's College of Business Administration will be able to offer worthy students the financial support they may need to help pursue this area of concentration. The Year 2001 event provided enough funds to allow us to award one scholarship.

The rules for participating in the Family Business of the Year event are simple:

- The business must be headquartered in Ohio, Kentucky or Indiana
- A business may be nominated by anyone, including employees and business associates, or by self-nomination. (See page 8 of the supplement for a nomination form.)
- All family businesses are eligible. (A family business is defined as one where a controlling interest is owned by a single family and more than one family member takes an active role in managing the business and/or just one family member is presently involved in an active role, the business having successfully transitioned from a previous generation.)
- All nominations must be received by the Goering Center by April 30, 2002. Once nominations are received, nominees will receive an application to complete, which must be returned to the Goering Center by June 30, 2002. Awards will be given in the four categories mentioned earlier.

We encourage every family business and all professional advisors serving family businesses to nominate one or more candidates for the four award categories.

Your nominee may be a customer, a client, a supplier, a service provider, a competitor, a prospective customer or client, or it may be

Inside...

| | |
|---|--------|
| Family Communication: An Oxymoron? | page 2 |
| Calendar of Events | page 3 |
| Benefits of a Human Resource Audit | page 4 |
| Turn Unproductive and Damaging Conversations into Productive Ones | page 5 |
| Tell Doctor Insurance Broker All About It | page 6 |
| 2002 Tri-State Family Business of the Year | page 8 |
| Economic Roundtable Open Forum | page 8 |

Continued on page 3B

Goering Center Partners

Provident
Financial Advisors

Deloitte & Touche
UNIVERSITY OF CINCINNATI
College of Business Administration

HONORS
College of Business Administration
University of Cincinnati
Carl H. Lindner Honors-PLUS

GREATER CINCINNATI CHAMBER OF COMMERCE
True North Advisors, Inc.

BARNES DUNN STRATEGIC PARTNERS LLC

BARTLETT
Our Goal Is Reaching Yours.
SKS

The Greater Cincinnati FOUNDATION
SCHIFF-KREIDLER-SHELL INSURANCE AND RISK SERVICES

Graydon Head & Ritchey LLP
MidWest EyeCenter
TeamResources

Fifth Third Bank
McGrane
Facilitate, Inc.

HartingsVicente+Associates

UNIVERSITY OF CINCINNATI
College of Business Administration

(513) 556-7185 • Fax: 556-6044
www.goering.uc.edu • goering@uc.edu



Family Communication: An Oxymoron?

By Laura Petrie, JD, Senior Vice President, Trust & Estate Planning Services



"We don't communicate anymore." Or, "You need to improve your communication skills." These statements are often heard in both business and personal settings. "Communication" is a word you hear a lot, but what does it actually mean? Lack of communication is often cited as a root cause of problems or the reason for an end of something, either relationships or companies.

Effective communication is difficult, but in a family business setting the difficulty is compounded because you are working with your spouse, parent, in-law, sibling, or some other relation. But how do family companies do it? There are many examples of where they cannot make it work and a child leaves the business, one brother buys out the other, or worst of all, the company goes out of business. There are other companies where it's hugely successful.

Communications in family businesses are usually on the parent/child or sibling/sibling level instead of employer/employee or co-worker/co-worker level. Birth order has a lot to do with these interactions. Where you started in life is very powerful. Your role in the family as a child repeats itself in your adult life especially in stressful times. When a family business communicates on a family level instead of a business level, Dad or the "senior" generation treats all employees as "children." Children relate to "senior" as father and "father knows best." Senior thinks *he* is the company and the company is father. Siblings start off as competitors for the goodies of family life - money, gifts, love, and attention. This recurs in a business setting unless the children decide to change. When things get rough in the

company, behavior reverts to established patterns of children fighting on the playground. This undercurrent of communication comes to the forefront under stress. Siblings must learn to look at each other for the first time as competent business people with skills and expertise instead of as a brother or sister. Reverting to these learned family behaviors causes more disagreements in the family and discourages non-family employees. Family members should not be allowed to use the company to play out personal matters.

THE MECHANICS OF COMMUNICATION

We communicate in several ways; formally, informally and symbolically. Research shows that we get more than sixty-five percent of our information from non-verbal communication, showing that how you communicate is as important as what you communicate. Whenever you communicate, you must decide which method will work best for the message, the person and the goal. Formal communication such as memos and letters are one-way communication — usually from management down to employees. There is no way for the receiver to get any clarification. For communication to be effective, it needs to be a two-way form of communication. Two very important factors in communication are listening and information.

- Listening is not the absence of talking, but the presence of attention.
- Listening is not simply hearing, it is understanding.
- Listening requires participation,

Provident
Financial Advisors

action, and effort.

- Listening is the glue that

holds conversation together.

- It is the foundation of understanding.

Listening to employees, managers, peers, coworkers and customers is a core, foundational skill for successful managers. The ability to listen is key to developing and maintaining relationships, making decisions and solving problems. Without it, leaders cannot create adaptable, quick-response cultures capable of facing today's business challenges.

Lack of communication is often cited as a root cause of problems or the reason for an end of something, either relationships or companies.

Effective listening presents many challenges. People can be oblique, inarticulate and imprecise. They can use words in unusual ways and define them differently. Body language sometimes contradicts the accompanying words. Listeners often hear what they want to hear. With these barriers, it is not surprising that listening seems difficult, if not impossible, in some situations.

To be successful in this era where information rules, an organization must create an environment of communication that encourages its employees to do their jobs better. Without sufficient, timely information, people are handicapped in their ability to excel. Successful managers know this and seek to create an environment where communication is open, encouraged, rewarded, frequent and relevant.

Creating a culture of open communication is not easy. It takes time, effort and courage. It is occasionally risky, and it sometimes upsets the power structure. Yet open communication is absolutely necessary. No organization can survive in an atmosphere of secrecy, stagnation and recycled ideas. If you want to charge up your employees, shake up your competition and excite your customers, you have to invite and expect people to communicate and listen carefully to the messages they convey.

Open communication results from an environment in which people know their ideas are respected and wanted. To foster such an environment, successful managers make conscious efforts to establish vehicles and methods for communication. Valuing the ideas of others is an important prerequisite to fostering open communication. You can set the tone for your organization by deliberately and consciously sending the message that those ideas and contributions are valued.

Never assume that your communication need be less clear because you are dealing with relatives. If anything, you should take more care so that family feelings or relationships don't cloud your message.

Publisher's Note

The Family Business Report is a monthly advertising supplement to the Business Courier in cooperation with the Goering Center.



Goering Center
for Family & Private Business

(513) 556-7185

THE FAMILY BUSINESS REPORT

A monthly supplement

Sidney L. Barton, Ph.D.
Executive Director

M. B. Hammond
Editor

W. Kent Lutz
Director

Who Will Be...continued from page 1

yourself. Whatever the case, please get involved and participate in this exciting community event. Call our office at (513) 556-7185, or email us at goering@uc.edu, if you have any questions.

The Goering Center is here to serve the needs of family and closely held businesses. Our programs are designed to provide education and information. One of our marquee programs is the Next Generation Institute, which targets the 25-45 year old heir apparent to managing their family firm. It is an eight-month mentored program, where Next Generation participants spend 6 half-day and 2 full-day sessions with us discussing such matters as: succession; communications; selecting, hiring, and retaining key non

The event will honor 12 family businesses in the Tri-State area... who exemplify the true meaning of being a family business.


family members; selecting and working with outside advisors; risk management and employer liability issues; estate planning matters; using an outside board of advisors; psychological aspects of working in a family firm; equity and ownership issues; financing growth of the family firm; and developing a strategic plan. Professionals from the community, who have many years of experience working with family firms, conduct all of the sessions. The mentoring aspect of the program also makes it unique; as the participants have an opportunity to meet monthly with an experienced family business executive to discuss whatever issues may be on the mind of the participant. An alumni group is also forming from our Next Generation graduates, so that the networking and relationship building that took place during the eight months can continue and grow even stronger over the years.

We are always on the lookout for identifying and filling a need that our family firm constituents might have, such as the Communications Institute. Communication, or lack thereof, has been identified as a high need area that you have asked us to address. You will be hearing more


about the Communications Institute in future issues of the Family Business Report. In the meantime, if you have an idea as to how we can better serve you, or an idea for additional programs you would like to see, please call us at (513) 556-7185, or email us at goering@uc.edu. Remember, we are

here to serve and we value your input, so let us hear from you!

For more information about last year's Family Business of the Year winners, please visit our web site at www.goering.uc.edu.



UNIVERSITY OF
Cincinnati



Goering Center
for Family & Private Business

Calendar of Events for Upcoming Goering Center Programs

February 17, 2002

Goering Center featured on "Success Radio" with host Tammy Wynn.
Featuring Dr. George Vredevelde of the University of Cincinnati
Economics Center for Education and Research
7:00 PM on 55KRC

February 21, 2002

What's the 2002 Economic Forecast?
Economic Roundtable
Open Forum Discussion
7:30 - 10:00 a.m.
Please see page 8B of this supplement for additional information.

March, 2002

Goering Center featured on "Success Radio" with host Tammy Wynn,
7:00 p.m. on 55KRC.

Please see page 8B of this supplement for additional information on Center membership or visit our web site at www.Goering.uc.edu.

March 6, 2002

Creating an Effective Sibling Team
7:30 - 10:30 a.m.
Please call the Goering Center, 556-7185, for information.
(Presented by True North Advisors, Greater Cincinnati Chamber of Commerce and the Goering Center)

March 12, 2002

Next Generation Institute Sixth Session
8 Month, Mentored, Certificate Program

March 20 & 21, 2002

Partnered Program with McGrane Institute
All day, both days
"Becoming an Employer of Choice"
Please call the Goering Center, 556-7185, for information.

The Goering Center Advisory Board

John B. Goering, *Chairman*
Sidney L. Barton, Ph.D., *Executive Director*
Frederick A. Russ, Ph.D., *Dean*
W. Kent Lutz, *Director*
Elroy E. Bourgraf
David Freytag
James Funch, Jr.

Dean R. Gaudin
Richard D. Hannan
Melvin L. Schulman
John Steele, Jr.
Molly Vollmer
Steven A. Wilson
Jeffrey L. Wyler

Benefits of a Human Resource Audit

By William L. Hart, SPHR President, Employers Resource Association



You're pouring your energy into growing your family-owned business and things seem to be going well. That is until you receive a notice that a former employee has filed a discrimination charge and some agency is demanding the contents of that employee's personnel file. How confident are you that the papers you've been stuffing into file folders about your employees will help, and not hurt your defense? How confident are you that the records you keep are the right records and are kept for the right reasons? Too many employers fail to "see it coming" when they are found to be in non-compliance. Too often, this could have been avoided with a bit of advanced planning.

If you're like most business owners, the details of human resource management aren't your top priority. Certainly you're concerned with hiring and retaining top-quality people. However, many of the regulatory compliance issues may slip by, either because of lack of time or lack of knowledge. The penalties for these oversights can be severe. Discrimination charges. Lawsuits. Fines. How can you protect your thriving business from this type of setback? Compliance is not hard to accomplish once you know what is required.

The first step is an audit of your human resource practices conducted by a human resource expert. Human resource professionals at Employers Resource Association regularly conduct HR audits for their member organizations. While a government audit can generate fear and possible penalties, the Association's approach to conducting an HR audit is purely educa-

tional. All types of organizations whether large or small, profit or non-profit, start-ups or established companies benefit from the results of an HR audit. The Association uses a standardized format that can be customized to meet your needs.

Employers Resource Association is a non-profit professional membership network of companies in the greater Cincinnati, Dayton, Columbus, Northern Kentucky and Eastern Indiana areas. Since 1946, the Association has provided low cost, full service human resource management support for its member companies. The advice, information and insight provided by the Association's staff is essential for members to remain competitive. Staff members are professionally certified human resource experts and specialize in a number of areas including labor relations, training, employee relations, compensation, safety, and equal employment/affirmative action.

Before the audit begins, an initial meeting with the business owner or HR representative is held to discuss the specific needs of the organization. In many cases the business has limited HR resources and wants to ensure the best use is made of these resources. Has anything slipped through the cracks while attention was focused elsewhere? In other situations, the HR representative is new to the company and wants to uncover and correct any inherited oversights. Or, perhaps the company has recently been the subject of a wage and hour audit or employee lawsuit and wants to take steps to keep this from happening again. Is employee recruiting



EMPLOYERS
RESOURCE
ASSOCIATION

and retention a concern? An audit of the company benefit package may reveal that it falls short of other competitors in the area. Or, could it be that there are faults in your hiring process that result in

questionable hiring decisions? Based on the results of this meeting, the audit is tailored to focus on the specific concerns of the organization.

Several on-site visits will be conducted to review procedures, documents and files pertaining to the audit areas. The employee handbook is usually the first document to be reviewed. Although not legally required, most organizations find a handbook to be the most effective way to communicate policies to employees. Many employment laws do contain requirements for organizations to communicate certain information to employees. If your company doesn't have a handbook, be prepared to prove that all employees are notified of these policies by another method.

A review of a sample of employee files is required. The purpose for this review is to determine whether files contain the documentation required according to the organization's policies. The organization of the files is also important. Medical information must be filed separately from the main employee information. Information about an employee's race or gender should not be shared with a manager considering that employee for a promotion.

Any information that makes the organization appear unprofessional

should be purged from employee files. During an audit of a small company, our reviewer came across a page pulled from a supervisor's desk calendar and stapled to a form in an employee's file. Although the page was turned upside down, turning it over revealed graphic references to sexual acts. Needless to say, the owner of the company was horrified to find that something like this found its way into an employee's file.

If your company has been in business for several years, employee files may contain old employment applications that ask all kinds of questions that are generally considered inappropriate today. It isn't unusual to find old employment applications that ask for the applicant's marital status, height, weight, date of high school graduation, and number and ages of children. This information must be handled with care.

The audit also includes a review of the I-9 forms required by the Immigration Reform and Control Act. The employer section of the form is checked to be sure that the proper columns on the form are complete, and that it was signed within the required number of days from the employee's hire date. The signature on the form must be original. Our reviewer has found a company using a form with the company representative's signature photocopied. This practice might result in fines for the company if not corrected.

How long should your company keep documents relating to a person's employment? Some employment laws state specific record retention periods. In other cases, it is a matter of "best HR practice." Generally, when a company fails to keep required documentation, it is assumed that the company may be trying to hide something. On the other hand, documents kept too long may not be good documentation of an employee's current job performance. A knowledgeable HR professional can make recommendations on the best length of time for keeping employment records.

Many employment laws require that companies post specific informa-

MBA Talent Available for Projects

Do you wish you could get MBA-trained talent to work on some of your business problems? Are you torn between short-term needs that demand a trained professional and a business model that cannot justify hiring a full-time manager? Whether your needs are in marketing, strategy, information systems, finance, quantitative analysis or operations management, graduates from UC's College of Business Administration just may have the answer to your problem. The MBA Consulting Group has limited opportunities to design and execute 2-4 month projects that will be customized to address an issue of your choice. Examples of prior projects include: tested the validity of a local company's premium pricing strategy from a cost of ownership perspective and developed a database that aided senior management in their decision-making process with regard to competitive pricing strategy. For more information contact the MBA Consulting Group at (513) 556-7139, or via email at mbaconsulting@email.uc.edu.

Continued on page 7B

Turn Unproductive and Damaging Conversations into Productive Ones



By Dr. Michael O'Brien, Founder and President, Executive Leadership Solutions

Okay, picture this - Someone in your company (it could even be you) sticks their head in someone's office (it could even be yours) and makes what seems to be a simple statement or request that blows up in their face.

Her: "Can you be at the meeting on Tuesday?"

Him: "You know I can't."

Her: "Well, if I knew you couldn't, I don't think I would have asked."

Him: "I can't."

Her: "Why not?"

Him: "Can we talk about it later?"

Her: "A lot's riding on this meeting."

Him: "I know - we talked about it last week."

Her: "Well, I can't talk about it later. I need to make a decision. If you can't go, you can't go."

Him: "Okay. Whatever."

Sounds like a couple of people at odds over a meeting doesn't it? In reality, it's a couple of productive people engaged in an unproductive conversation. And the reason has little to do with the meeting.

What you've just experienced are two people engaged in a reactive cycle. A reactive cycle is when people react in a conversation instead of participate in one. And if left unchecked, a reactive cycle can do more than kill productivity - it can damage relationships.

For starters, let's examine the background of this conversation. "Her" is really Gail. Gail is head of account services at a family run company.

The "Him" in this case is Walt. Walt works for Gail and is her lead sales person.

Now imagine that Gail and Walt had held a conversation in the hall a week earlier in which

Walt had asked Gail not to schedule any meetings with clients on the Tuesday in question because he had scheduled an out-patient procedure on that day. Gail didn't have her trusted day planner with her to write it down - and has forgotten. Unfortunately, it's not the first time Gail has forgotten something Walt has explained to her.

Now, if you read their conversation again, you'll have a better understanding of what's really going on.

Although Walt's behavior may seem justified, it doesn't matter who's right and who's wrong in this scenario. An important meeting has been scheduled and an important person won't be there.

Gail thinks Walt is uncooperative. Walt thinks Gail is out to get him.

Like all reactive cycles, emotions escalate and nothing is accomplished.

In order to understand reactive cycles, let's look at how your mind acts when you're engaged in one.

It starts when someone says something you don't like. At that



moment, you assess them. In a split second, you decide that they're insensitive, uncaring, unselfish, dishonest or irresponsible - or all of the above.

Your emotions kick in. Your fears are triggered. You feel threatened. Out of control. Defensive. You react by attempting to control the situation - or manipulate the situation - or you just simply retaliate.

When you react in this manner, you inevitably say something the other person doesn't like. And that causes them to assess you as insensitive, uncaring, selfish, dishonest or irresponsible - or all of the above. Their fears kick in. And then they, yep, you guessed it - they react to you by attempting to control the situation - or manipulate the situation - or just retaliate, which only justifies your initial assessment and makes you react again.

At this point, who really cares about a crummy meeting anyway?

If you care about having productive, healthy conversations, you can learn how to avoid reactive cycles.

There are three steps involved.

We refer to them as "name," "claim," and "reframe." The first step is for one of the parties - or both of them - to notice that they're engaged in a reactive cycle. They "name" it.

The second step is for one of the parties - or both of them - to realize that it's their cycle. It's no one else's. They "claim" it.

The third step is for both parties to try and understand where their statements are coming from. They "reframe" their perspective. This exposes any hidden agendas and gives people insight into the emotions behind the words. It gives each of them the chance to communicate the unmet expectation that triggered the negative assessment of the other in the first place. By doing this, each person owns their assessment and their feelings. Instead of laying blame, each person shows compassion for the other person's situation or point-of-view.

Once they've "reframed" their perspective, they can have an open, honest, healthy and productive discussion on how to accomplish their mutual objectives.

February 17**The Goering Center**
featuring George Vredeveld, PhD,
Director, University of Cincinnati
Economics Center for Education
and Research

February 24**Les Hewitt**
The Power of Focus

March 3.....**Sid Barton, PhD/Kent Lutz**
Goering Center for Family
and Private Business

March 10.....**Dick Canada**
The 24 Sales Traps



Success Radio

FEBRUARY - MARCH 2002 SCHEDULE



Tammy Wynn
President of Team Resources
Host of Success Radio

Your Sunday Night
Business Seminar
at Seven!

Sundays at 7 PM
55KRC (550 AM)

Instant Gratification

A subscription to the *Business Courier* will do more than satisfy your hunger for the news. When you subscribe to the leader in business coverage in Greater Cincinnati and Northern Kentucky, you'll receive a

\$50 gift certificate

for executive class dining at America's premier steakhouse: **Morton's of Chicago.**

Start your subscription today for 3 years at \$177 or renew a 3-year subscription for immediate gratification.



I want a **3-year subscription** (156 issues) at \$177 and I'll receive a \$50 gift certificate for Morton's of Chicago.

I want a **1-year subscription** (52 issues) at \$74 and I'll receive a \$25 gift certificate for Morton's of Chicago. (With credit card order only)

Name _____

Title _____

Company _____

Address _____

City/State/Zip _____

Daytime Phone/E-mail Address _____

Type of Business _____

Mail or Fax to the *Business Courier*
101 West Seventh Street, Cincinnati, OH 45202-2411
(513-621-2462 (fax) • (513) 621-6665 (phone)

Certificate mailed when payment received. We accept payment by check, money order, Visa, Mastercard or American Express.

Tell Doctor Insurance Broker All About It

By Donald J. Riggan, CPCU, ARM, Schiff-Kreidler-Shell



You may have noticed a series of television commercials sponsored by Charles Schwab, the discount investment broker, comparing a Schwab investment advisor to your family doctor – the doctor prescribes several mutual funds and counsels his patient to “lay off the junk bonds.” The message: talk to your investment broker as if he or she were your trusted family physician. While this may seem a bit preposterous, the message is a powerful one – anyone who manages something as important as your retirement savings should be stable and trustworthy. The same is true of your insurance broker (or agent). So, have a seat, relax, and tell Dr. Broker all about it.

Dr. Broker:

So, Mr. Schmidlap, nice to see you again. It's been quite a while since our last appointment; April of '99, I think. If I remember correctly, your insurance rates were falling nicely, your coverages showed no signs of lapsing, and your insured loss count was well within acceptable ranges. What can I do for you today?

Mr. Schmidlap:

Well, Doc, things have dramatically changed since the last time you saw me. I'm sick and getting sicker by the day.

Dr. Broker:

Is that right? As a matter of fact, you do look somewhat depressed – let Nurse Agent here check your property insurance rates. There you go, uh oh, I don't like this one bit! Mr. Schmidlap, your property rates are sky high! How's your salt intake? Nurse Agent, please check Mr. Schmidlap's deductible levels. Now, let's see how those deductibles are doing...Oh, Mr. Schmidlap, these deductible levels are extremely high as well. Usually, if a patient has high rates, his deductible levels are low. I'm afraid you've caught what every other business insurance consumer has these days...it's called “Hardmarketitis.” I've seen this before. By the way, how's your loss count?



SCHIFF-KREIDLER-SHELL
INSURANCE AND RISK SERVICES

Mr. Schmidlap:

I knew it! Somehow, I thought I was immune. Sure, all my business-owner friends came down with it, but I never thought I'd get it. My loss count is down...yet my rates and deductibles are high...I'm dying!

...anyone who manages something as important as your retirement should be stable and trustworthy.

Dr. Broker:

Now, now, Mr. Schmidlap, it's not the end of the world. Long ago this disease had quite a stigma attached to it, but not anymore. However, it is good that you came in to see me today. Unfortunately, Hardmarketitis has no immediate cure, and it has proven to be fatal in some extreme cases.

Mr. Schmidlap:

Fatal?!

Dr. Broker:

Yes, unfortunately, during the last epidemic back in the mid 1980s, some mid-sized family-owned businesses expired for lack of insurance protection. In those days, nobody was spared – school districts had to shut down their playgrounds for lack of liability insurance. It was a dark time.

Mr. Schmidlap

(sobbing uncontrollably):

What can I do, Doc? You must help me! I got a wife and kids to support.

Dr. Broker:

Well, I'll give it to you straight – in nonfatal cases, Hardmarketitis will run its course in 2 to 3 years. Yes, you'll be very sick for a while, but with the proper medication, you'll find that you can lead a normal life. Now, who is your current insurance doctor?

Mr. Schmidlap:

Um, I use Dr. Unethical. Do you think there's anything you can do?

Dr. Broker:

Yes, of course. It's obvious that Dr. Unethical is paying no attention to your financial health while getting rich due to your worsening condition. This is a common practice called “commissioning,” and it's a favorite ploy of some insurance doctors during epidemics such as this.

Mr. Schmidlap:

I see. When I last saw him he mumbled something like: “finally, the soft market is over...it's pay-back time”...what do you think he meant by that?

Dr. Broker:

Never mind. Look, on your way out, make an appointment to see me in 2 weeks. Be sure to bring all of your current records, as well as loss count and rate level data for the last 5 years. There are some powerful new medications available these days, but you must be properly “prepped” so your system won't reject the medicines. I've seen many patients' CFOs and controllers go ballistic when they detect the presence of this radical new treatment.

Mr. Schmidlap:

Gee, thanks, Doc. I feel better already. See you in 2 weeks.

Dr. Broker:

Good day, sir. And remember...be careful out there.

Benefits...continued from page 4

tion for their employees. An HR audit will check the company's posters to ensure that all posting requirements are met.

Many HR audits include a review of hiring practices to determine if the company has taken the appropriate steps to avoid the appearance of discrimination and ensure that the most qualified people are hired. This review typically includes the current employment application, procedures for interviewing, background check, pre-employment testing and drug testing.

Job descriptions are another common audit item. The reviewer will consider the format and contents of your job descriptions to evaluate its usefulness as documentation under the Americans with Disabilities Act. The reviewer may also provide an opinion on the appropriateness of the classification of positions as exempt or non exempt under the Fair Labor Standards Act.

The area of medical leave is a real landmine for many companies. HR audits of this area typically include notices required by the Family and Medical Leave Act, compliance with the Americans with Disabilities Act, Workers' Compensation and health continuation laws.

Employment terminations are probably the most difficult personnel decisions business owners make. Even with excellent hiring procedures, there

are still times when a choice must be made between keeping a poor performing employee and termination. Economic conditions may also result in a need to downsize to control costs. Although there is no guarantee that any termination decision is the "right" decision, an HR audit can provide the proper tools to better protect that serious decision.

After the on-site visits, the reviewer will prepare a detailed report of the audit findings. This report is shared with the appropriate personnel at the company during a presentation. The report contains not only a description of the shortcomings found during the audit, but recommendations to correct any problems.

Some human resource organizations provide HR audit checklists designed to be used by company officials to perform their own "self audit." While this process may be somewhat beneficial, it still results in the company looking at itself through its own eyes. The value in hiring an outside third party to conduct an HR audit is the additional insight gained from an experienced HR professional who has seen HR practices at a variety of different organizations and can make helpful recommendations based on what works well and what doesn't.

A company considering Employment Practices Liability

Insurance (EPLI) will also benefit from an HR audit. EPLI policies were created to provide insurance coverage for employers against lawsuits such as discrimination, harassment, and wrongful termination that are generally not covered under a comprehensive general liability policy. Companies considering EPLI coverage will be expected to meet minimum guidelines for good HR practices to qualify for coverage. A HR audit provided by Employers Resource Association can help determine if sound HR practices are in place before a review by the insurance company.

What's the best benefit of an audit of your company's human resource function? The answer is simple – to remain competitive in your business specialty. Many companies spend money needlessly while losing good employees, keeping non-performers, and fighting discrimination claims as a result of flawed human resource practices. Whether you need to assess your new situation, or just want a non-threatening way of uncovering your HR strengths and weaknesses, the HR audit is an excellent choice. Don't become one of those employers that "didn't see it coming." Be proactive and be prepared. That is your safest way to ensure compliance.



Goering Center Members

- Able Services
- AC Nielsen Bases
- Al Neyer, Inc.
- Allied Window, Inc.
- Anchor Research, Inc.
- Anderson Tool & Die
- ASI Sign Systems/Cincinnati, Inc.
- Astro Met Associates
- Baldwin Employee Concepts
- Barnes, Dennig & Co., Ltd.
- Bartlett & Co.
- Batesville Products, Inc.
- Big Chief Supply Co.
- Bobcat Enterprises, Inc.
- Brady, Meixner & Company
- Building Crafts, Inc.
- Camargo Construction Co., Inc.
- Casco Products, Inc.
- Cast-Fab Technologies
- CDC Distributors, Inc.
- Charles F. Shiels And Company
- Clark, Schaefer, Hackett & Co.
- Clayton L. Scroggins Associates, Inc.
- Contract Sweepers Company
- Contractors Materials Company
- Cors & Bassett, LLC
- Crowley's
- CT Beach & Company, Inc.
- Dalton Roofing Company
- Deloitte & Touche
- Derrick Company, Inc.
- Dudley Construction Co.
- EDI International Inc.
- Everyday Manufacturing Co.
- Excel Management Consulting
- Executive Leadership Solutions
- Feilhauer's Machine Shop, Inc.
- Fenton Rigging Co.
- Ferno Washington
- Findlow Filtration, Inc.
- Fifth Third Bank
- Florence Hardware
- Flottman Printing
- Food Specialties, Co.
- Forshee Industrial Roofing Sheetmetal Work
- Frankenberg & Associates
- Funch Lumber Company
- Gardner Publications
- Gateway Concrete
- Gattle's
- Global Underwriters, Inc.
- Goering & Goering
- Gold Medal Products Company
- Graeter's, Inc.
- Graydon Head & Ritchey, LLP
- Greater Cincinnati Chamber of Commerce
- Greenfield Products
- Griffin Industries
- H & S Chemical Co., Inc.
- H. C. Truitt Company, Inc.
- H. J. Benken Greenhouses
- Harrison Parks, Inc.
- HartingsVicente+Associates
- Hilltop Basic Resources, Inc.
- Horan Associates Inc.
- Huber Lumber Company
- Indrolect Company
- Interlube Corporation
- J. D. Cloud & Co.
- Janell, Inc.
- Jeff Wyler Dealership Group
- John F. Brown Company, Inc.
- John F. Dickey Co.
- Johnson Investment Counsel
- KDM Signs
- Keepsakes Framing and Floral
- King Bag & Manufacturing Co.
- Kokosing Construction
- Leonhardt Plating Company
- Mass Mutual- The Blue Chip Co.
- Mench Financial, Inc.
- Mercury Instruments
- Miami Rubber Company
- Modern Office Methods
- Monarch Construction Company
- Myers Y Cooper Company
- National Band & Tag Co.
- Natorp's, Inc.
- NSG, Inc.
- O T S
- Patrick Nesbitt
- Payne Firm, Inc.
- PCF Foam Corporation
- Phymet, Inc.
- Pier 'N' Port Travel Inc.
- Pilot Contractors
- Pioneer Vending, Inc.
- Positrol, Inc.
- Provident Financial Advisors
- Ray Prus & Son, Inc.
- RL Industries, Inc.
- Robert F. Uhrig Company
- Rosselot Financial Group, Inc.
- SalesMAX
- Scherzinger Corporation
- Schiff-Kreidler-Shell
- Scudder, Stevens & Clark
- The Angus Group, Inc.
- Team Resources/Midwest Eye Center
- The Bistro Group
- The Blaine Co.
- The Children's Center
- The Greater Cincinnati Foundation
- The Malibu Group
- The Mechanical Supplies Co.
- The Precision Coil Spring Co.
- True North Advisors, Inc.
- Tucker Homes, Inc.
- Unistrut Cincinnati
- Urethane Plus, Inc.
- University of Cincinnati College of Business Administration
- Verst Group Logistics
- Vinylmax Corporation
- VonLehman & Company, Inc.
- Wardway Fuels, Inc.
- Watkins Manufacturing, Inc.
- Wilson Associates Financial Group

McGrane Institute



PROGRAM SCHEDULE

March 9-10, 2002**Making It Happen!**
.....Resolving family conflicts

March 9-13, 2002**Managing The Human Machine**
.....Achieving Prosperity In Troubled Times

March 20-21, 2002**Becoming an Employer of Choice**
.....A two-day seminar introducing a process-driven approach

Please call the McGrane Institute for additional information **(859) 341-2216**, or visit **www.mcgrane.com**.

2002 Tri-State Family Business of the Year Awards

August 27, 2002 • 6-9 p.m. • Music Hall

Nomination Form: FBOY 2002

Simply fax this completed form to the Goering Center office at (513) 556-6044.

About the Nominee..

Company Name _____

Address _____

City/State/Zip _____

Phone _____

Fax _____

Principal Owner _____ # Employees _____

Principal Product of Service _____

About the Nominator...

Name _____

Company _____

Address _____

City/State/Zip _____

Phone _____

Fax _____

What is your association with the family business you are nominating? _____

Deadline for submitting nominations is April 30, 2002.

An application will be forwarded to the nominated business upon receipt of this completed nomination form.

To honor the enormous positive contributions made by family companies, both large and small, the University of Cincinnati and the Goering Center for Family & Private Businesses are pleased to announce the 3rd annual Tri-State Family Business of the Year Awards. The competition will work as follows: Nominees will be judged on the basis of their positive family-business linkage, their business success, their multiple family member and/or multiple generation involvement, their contributions to community and industry, and their innovative business practices, products or strategies.

Awards will be granted in four categories:

- Under 100 employees
- Innovation (Products, Markets, Organizational)
- Over 100 employees
- Community Service

The nominations and judging will take place in two steps. Nominations may be submitted by anyone and businesses are encouraged to nominate themselves. Nominations are due by April 30, 2002. Once a nomination is received, a detailed application will be sent to the nominated businesses, which must be returned by June 30, 2002. All applications will be reviewed by a panel of independent judges from various professional disciplines and by owners of family businesses.

Rules for Nominations

1. All family businesses are eligible.
2. A business may be nominated by anyone, including employees or business associates, or by self-nomination.
3. All family businesses are eligible.
4. All nominations must be received by no later than April 30, 2002.
5. Awards will be given in the following four categories:
 - Under 100 employees
 - Innovation (Products, Markets, Organizational)
 - Over 100 employees
 - Community Service
6. Applications sent to nominees must be returned by June 30, 2002.

QUARTERLY ECONOMIC ROUNDTABLE:

Open Forum



Pete Sorrentino



Dr. George Vredevelde

February 21, 2002

7:30 AM - 10:00 AM

Goering Center

Sixth Floor, Lindner Hall, Seminar Room 2

Join many top executives from leading Tri-State family-owned firms, along with Dr. George Vredevelde, Director of the UC Economics Center for Education and Research, Pete Sorrentino, Chief Investment Officer at

Bartlett & Company, and an officer from Provident Financial Advisors to discuss the state of the world economy as it impacts the local economy.

Confirmation information (maps, parking info, etc.) will be faxed upon registration.

Call the Goering Center now to register—seating is limited! (513) 556-7185

Fee: No Charge to Goering Center members • \$40 for non-members

The Goering Center for Family & Private Business • University of Cincinnati

What is the 2002 Economic Forecast: Sunny, Mild or Gloomy?

