

18 LESSONS FROM A 118-YEAR-OLD FAMILY BUSINESS

SPEAKER: *JASON PACKER, FOUNDER OF STRIDE*



The Kim S. Miller
**Family Enterprise Institute
of South Carolina®**
at ANDERSON UNIVERSITY



Jason Packer: Husband, Dad, Mets Fan

4th generation • 16 years as CEO • sold in 2022





Family Business Legacy Timeline

Four Generations of Entrepreneurship & Excellence

4

generations

4x

industry average, 2022
sale

?

generation five

Finkle Distributors

1920s – 2010

Sold in 2010 • Founded the family distribution legacy

Hill & Markes

Acquired 1940s – Sold 2022

Sold to BradyIFS at 4x industry average valuation

Packer Meats

1930s – 1990s

Bankruptcy in 1990s • Separate family venture

Wustefeld Candy Co.

Acquired 1940s – Sold 2021

Sold to National Convenience Distributors • 120+ years serving convenience stores

Stride Family Business Alliance

Founded 2020s – present



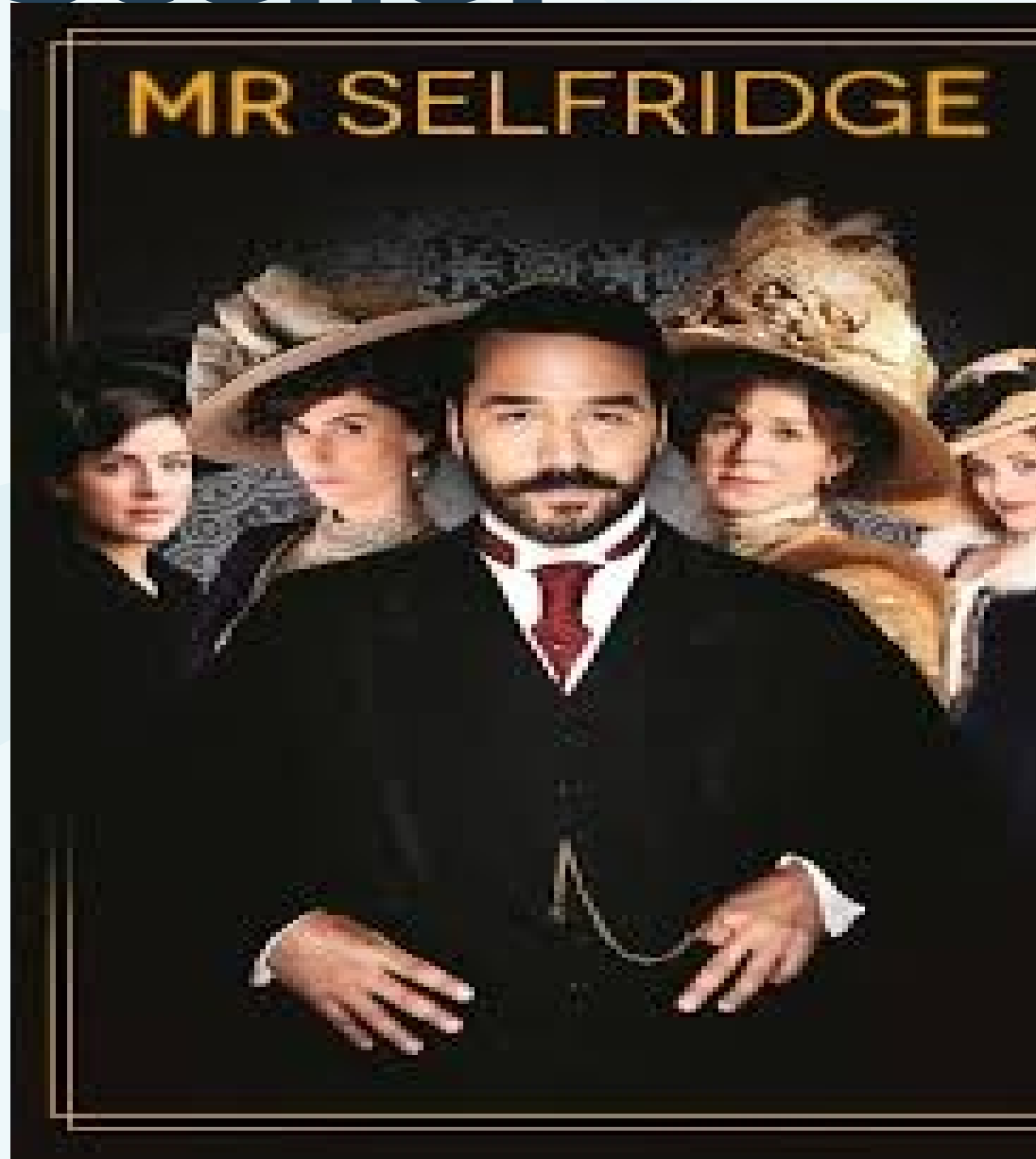
Mr. Selfridge: Looking at Legacy



Mr. Selfridge

Click to play on YouTube

What caught your attention about this scene?



THE DEEPER QUESTION

Who in your family can disagree with you about the business — and what happens to them when they do?

- Gratitude** for the generations that came before me.



LESSON TWO: THE POWER OF A FAMILY CONSTITUTION



Kikkoman: the Mogi family has made soy sauce in Noda, Japan, since the 1600s. Its family constitution is seventeen articles long. Three of them, in bold, are the whole talk.

1. **Desire peace. Never fight; respect all.**
2. Keep faith; it brings a peaceful mind.
3. Be polite — the master first, then all.
4. Politeness governs young and old alike.
5. Virtue is the cause, fortune the effect.
6. Keep discipline, diligence, and order.
7. The right person in the right place.
8. Educate the children — body and mind.
9. **Love all; a kind tongue keeps the peace.**
10. Humble and diligent, as our forefathers.
11. Earn by sweat, not speculation.
12. Compete, but not to extremes.
13. Reward good service; correct mistakes.
14. Consult the family before any new venture.
15. No careless debt. You are not a bank.
16. Save — and give to society, unrewarded.
17. **Never decide important affairs alone.**

LESSON THREE: AGREE ON HOW TO FIGHT

Grandpa Harry's way

He'd send me into our own warehouse for product, have me sell it, and bring the cash home. Relationships first; paperwork later.

Dad's way

An accountant: every case counted, every dollar through the books. The cash drove him crazy.

The day it blew up

Grandpa asked me to load product into his car. Dad caught me — and yelled at Grandpa, not at me.

They never agreed about the car. **They learned how to argue about it.**

The model — *"Successors should enter into comprehensive discussions with their parents to develop agreed-upon systems to cope with differing management styles and the inevitable differences of opinion."* Willem van Eeghen, 14th generation, Van Eeghen, est. 1662

LESSON FOUR: THE FOUR-ROOM MODEL

My orientation, 2009

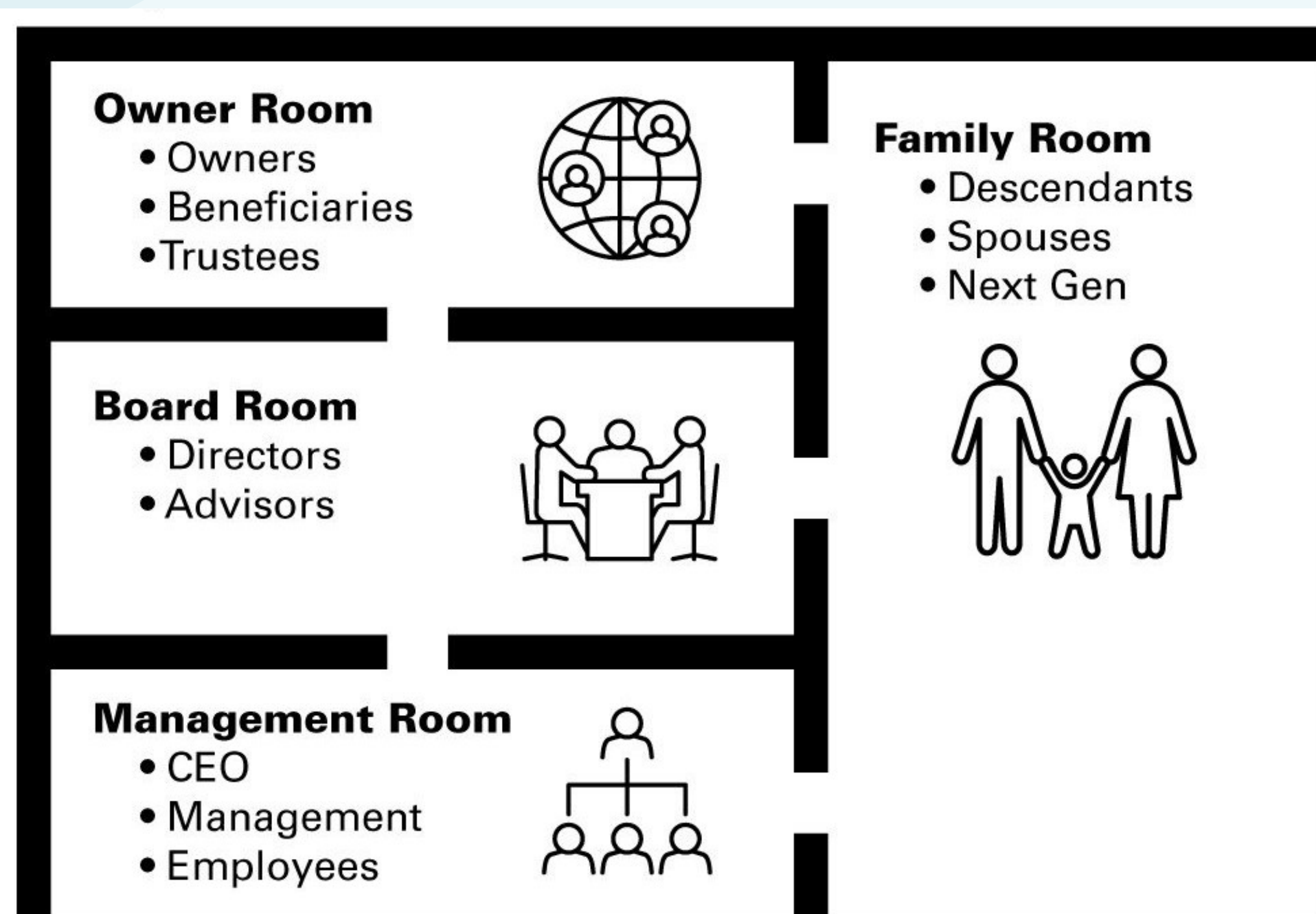
I came home to Hill & Markes, and my first assignment was not sales. It was keeping my uncle from suing my father.

Ron

Ron Reece, our family advisor, did not pick a side. He walked the owners into the owner room:

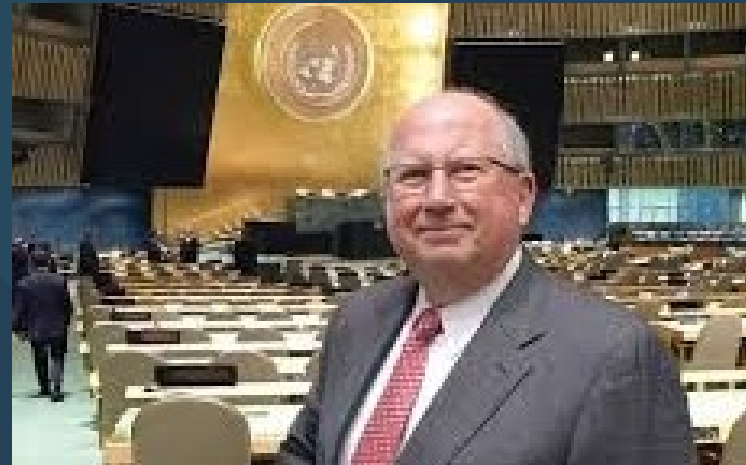
- **A distribution policy.** In a good year, owners get dividends — not bonuses.
- **Pay for the job.** Family in the business earn market pay for the job they actually do.

They were shouting from different rooms.
The fix was a room.



LESSON FIVE: BUILD GOVERNANCE TO PROMOTE SUCCESSION

**Governance gives every generation a voice
— and the next one a way in.**



LESSON SIX: THE NON-FAMILY EXECUTIVES

A loyal core of non-family leaders gives the family the confidence to let go.



LESSON SEVEN: PEER GROUPS AND STRUCTURE SUPPORT SUCCESSION

Peers who aren't your family — and a room where you can talk about your family.

VISTAGE

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LESSON EIGHT: LISTEN TO THE NEXT GENERATION EARLY ON

Low light, a dizzying stretch wrapper, and a father who listened.



LESSON NINE: MENTORS ARE CRITICAL TO SUCCESSION

"...wisdom is passed not just from generation to generation but across the organization."

— Jennifer Pendergast, PhD, John L. Ward Clinical Professor of Family Enterprise, Kellogg School of Management

Mine

- Jim, our VP of Sales
- Gary Dake, President of Stewart's
- Our key sales reps
- A vendor rep who wanted us to succeed

None of them shared my last name.



LESSON TEN: TEACH SUCCESSORS TO LISTEN TO AND RESPECT EMPLOYEES

The successor should report to a non-family manager.



LESSON ELEVEN: USE CHANGE AND PROBLEMS FOR SUCCESSION

Earn credibility through managing difficult problems.



LESSON TWELVE: FAMILY FIRMS MUST PIVOT AND CHANGE WITH THE MARKETPLACE

Stick to your core values in the face of challenges — and adapt to the new environment.




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Lifting The Community




WEBINAR.
Back to School Solutions:
K-12 Food Services

Date:
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Regional Manager,
OMNIA Partners
Jodi Lutz
Regional Sales Manager,
Pactiv
Bill Miller
VP of Purchasing & Merchandising,
Hill & Markes
Gayle Swain
Manager Non-Commercial Markets,
Cambro
Chris Parks
District Sales Manager,
Northeast Pactiv

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LESSON THIRTEEN: HELP NEXT GEN BUILD IDENTITY IN AND OUTSIDE THE BUSINESS

A successor with a diverse set of passions outside the business is more effective inside it.



LESSON FOURTEEN: DECIDE WHO DECIDES

Avery Building Supply · est. 1878 · sixth generation

G4 — Grandpa

Walter (84) – Chairman. Owns 5% of the company — and 100% of the voting shares. Gave the economics away years ago for estate reasons; kept control. “Averys don’t sell.”

G5 — The brothers

Tom (58), CEO, and Rick (55), President – Own 95% between them, all of it non-voting. Thirty-five years each. Both want to sell.

G6 — The kids

Maggie (26) and Caleb (24) – Recruited home two years ago: “the business needs you.” Left real careers. Own nothing. Were promised “a path.” Nothing is in writing.

The offer

Meridian Capital – \$100 million, cash, 90 days to close. Tom and Rick stay three years. The kids “would be evaluated.”

Walter says no, and Walter has every vote. **Case closed — right?**



The case on your phone
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LESSON FOURTEEN: THE TWIST

Then Walter has a stroke.

He survives. But he no longer recognizes the warehouse, and his doctors will not certify that he can make decisions. His shares cannot be voted — until someone is legally appointed to vote them.

Within a week

- **Meridian calls Tom:** “The offer stands for thirty days. Then we move on to the next family.”
- **Rick tells Caleb:** “This isn’t your decision. You don’t own a share.”
- **Walter’s lawyer finds the power of attorney.** It names Ruth — 82, married to Walter for 61 years, never once at a shareholders’ meeting.
- **Ruth calls the family together:** “My values are family and community. Come to me with one approach — together.”

The man with the votes can’t vote. The men with the money can’t vote.
And Ruth has thirty days.

LESSON FOURTEEN: YOUR MOVE

Six minutes with the person next to you

One of you is a brother — Tom or Rick. The other is one of the kids — Maggie or Caleb. Stay in role. Ruth has set the terms:

“Come to me with one recommended approach. Reach it by consensus. Walk away united, even if none of you gets exactly what you want. Keep the harmony while you work. My values are family and community.”

- **The recommendation:** What do you bring Ruth — sell, keep, or a third way? And what do you tell Meridian in the meantime?
- **The consensus:** What does each of you give up so the whole family can stand behind one answer?
- **The harmony:** How does this family stay united through the next thirty days — and after the decision, whichever way it goes?

Be ready to share the one thing you agreed on — **and the one thing you fought about.**



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LESSON FOURTEEN: THE DEBRIEF

Three or four pairs, one minute each. Shout it out — I'll write it down.

What did you agree on?

What did you fight about?

What would have changed the story for the Averys?

Your ideas first. **Then the one thing I would tell this family.**

LESSON FIFTEEN:

BE ALIGNED AND TRANSPARENT AROUND EXIT — AND KEEP YOUR FAMILY ADVISOR CLOSE



Ron Reece

THE UNDERTAKERS

The people in dark suits who show up when you sell.



LESSON SIXTEEN: PREPARE FOR LOSS AFTER THE SALE



TRANSPORTATION

'IT'S LIKE LOSING A FAMILY MEMBER'

LESSON SEVENTEEN: FIND PURPOSE AFTER THE SALE

Redirection.



UNIVERSITY of WISCONSIN
Superior



LESSON EIGHTEEN: FIND COMMUNITY



THANK YOU, ANDERSON UNIVERSITY!

The Kim S. Miller Family Enterprise Institute of South Carolina

Jason Packer, Founder of Stride



The slides, the case and the 18 lessons
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