



MIHAYLO COLLEGE  
OF BUSINESS AND ECONOMICS

*Center for Family Business*

**Program Performance Review**

*March 30, 2017*

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**Established in 1995  
Last Reviewed in 2015**

## **CENTER FOR FAMILY BUSINESS MISSION**

The mission of the Center for Family Business is to serve as the leading resource for family businesses in Southern California. We work closely with the “now” generation in supporting their efforts to lead and guide their family business, and we work with the “next” generation to prepare them for eventually taking over the leadership and ownership of their family business.

The goals of the Center include:

- Maintaining a safe and trusted environment where leaders of family businesses can meet regularly to share ideas, gain insight, and discuss ways to grow their businesses, and develop succession plans.
- Working with our members/donors to honor the history, and protect the legacy, of their family business.
- Growing our Center from 55 to 65 members by June 30, 2018.
- Growing our annual revenues to \$300,000 by June 30, 2018.
- Establishing an endowment to name the Center by June 30, 2018.

### **Our Vision**

Our vision is to create a safe environment in which leaders of family businesses can come together on a regular basis to share, communicate, and learn in a trusting, safe, and empowering atmosphere.

### **Our Values**

*Leadership* – Each of us has the opportunity and responsibility of being leaders in our families, businesses, and communities.

*Family Harmony* – We focus on business success and family unity. We strive for family and business success, not just one or the other.

*Generations of Prosperity* – We prepare our assets for our children and our children for our assets. Legacy is critical to any business, and we share that value.

*Education* – We take our responsibility to educate, motivate, and inspire very seriously, and strive to keep these core values evident in everything we do.

*Succession* – We not only focus on this quarter, and next, but on years into the future for our Center and our Center members.

*Relationships of Trust* – We keep our commitments; we honor one another, and we understand that building and maintaining trust is an ongoing and lifelong journey.

## **ACTIVITIES:**

The Center for Family Business hosts regular events for family owned and operated business leaders. These events include:

- Monthly workshops held on one of the CSUF campuses (Fullerton or Irvine). These events are designed to create educational and informative topics that our family business clients can immediately use in their business, professional, and personal lives.
  - Topics include areas such as succession planning, conflict resolution, effective communication, wealth and estate planning, finance and tax issues, strategic planning, and much more.
- Monthly Peer Advisory Groups
  - These are small groups of family business leaders who meet monthly to discuss issues pertaining to their specific businesses, and roles.
  - We currently have 5 established groups
    - 2 Young Leaders Groups, designed for the “next” generation, or those who have recently taken over as the leaders of their businesses
    - 2 CEO groups, established to assist these CEOs with leading their businesses, and planning for the leadership transition
    - 1 Women’s CEO group, designed to assist women CEOs with leading their businesses, especially in male-dominated industries
  - We are establishing 2 – 3 new groups over the next 14 months.
- Annual Family Business Hall of Fame induction event
  - In March 2017, we held our third annual event. In the three years of the existence of this Hall of Fame event, we are averaging 270 attendees, have revenues of \$179,925 combined, and a net profit for the three years of \$98,673.
  - We bring in top speakers from family businesses around the country.
    - Our 2015 speaker was Jeanie Buss, owner of the Los Angeles Lakers
    - Our 2016 speaker was Tony Simmons, 5<sup>th</sup> generation CEO of McIlhenny Company, owners and makers of Tabasco Sauce
    - Our 2017 speaker was Lynsi Snyder, owner and President of In-N-Out Burger
  - The purpose of this event is to honor elite families in southern California who are making a lasting impact in their communities, to their employees, to their families, and to the economy.
  - In our first three years, we have inducted 11 family businesses into the Family Business Hall of Fame
- Other specialty events
  - In October 2017, we will be partnering with the University of Hawaii to co-host a Family Business Retreat in Hawaii.
  - In early 2018, we will be hosting our inaugural Hispanic Family Business Conference

- We host several social/networking events for family business leaders
- We offer a course in Family Business Dynamics each fall semester. This course is offered as an elective in the Business School, and focuses on teaching students the intricacies of working in and for a family business.
  - This position is led by the Rick Muth Endowed Chair for Family Business, which was established in 2009 through donations from several members of the Center for Family Business.

### **ORGANIZATIONAL STRUCTURE:**

The Center is led by a full-time Director, one full time Administrative Coordinator, and 2 part-time student interns. As of March 30, 2017, we have 57 members, each paying \$3,000 annually for their membership dues. We also have 5 exclusive service providers, one per industry from banking, accounting, legal, insurance, wealth management, and family business consulting.

One member from each service provider, and 1 from 4 of our family business members, sit on the Center Advisory Board. The Board sets the educational and event agenda for the Center each year. There is no fiscal or fiduciary role for the Board, but they do assess and make recommendations on how to more effectively run and operate the Center, based on financial and member feedback.

Members of the Advisory Board serve on committees having to do with membership, education, Hall of Fame, and endowment. We met a minimum of twice per year formally, and much more frequently on an informal basis.

### **RESOURCES AND SUSTAINABILITY**

Revenue streams for the Center come from the following sources:

- Membership dues of \$3,000 per year family business
- Sponsorship dues of \$12,000 per year family business
- Peer Affinity Group dues of \$500 per year per group member
- Ticket and Sponsorship revenues for the annual Family Business Hall of Fame

Center revenues over the past three years have increased from just under \$200,000 in 2014-15, to a projected \$260,000 in 2016-17.

We are a member driven Center, with annual dues, and our annual Hall of Fame event. Our biggest goal beyond continuing to support these family businesses is to secure a \$5 million endowment, which will include naming the Center, endowing the Center Director position, and establishing our annual family business retreat.

## **HIGHLIGHTS AND ACCOMPLISHMENTS:**

In the past 3 years, the Center has seen a 35% growth in membership, a 42% growth in revenue, and has brought in nearly \$180,000 in Hall of Fame revenues. With exposure in the media with our high profile speakers and Hall of Fame inductees, we have been featured in Family Business Magazine, on the local news, regional newspapers and publications, and are in constant growth mode. We service family businesses with an average annual revenue of \$25 million, with 100 – 110 employees. Our largest member company has 1,100 employees in Orange County, and is over \$500 million in annual revenues. Our vision is to be the leading resource for family businesses in Southern California.

## **PLANNING AND STRATEGIC OUTLOOK:**

Within the next three years, the Center for Family Business:

- Will have 9 – 12 more members of the Family Business Hall of Fame
- Will be a strategic partner with Family Business Centers throughout the western region of the United States and Canada. This is already in progress.
- Will have a named endowment
- Will have an endowed Center Director position
- Will offer 2 – 3 courses in family business for undergraduate and graduate students
- Will be recognized as the leader in Family Business Education and research, providing applied research to be used around the country and the world.
- Will grow to 75-80 members, and will be generating over \$400,000 in annual revenues between membership, partners, Hall of Fame, and other conferences and special events.
- Will be attracting top family business experts to serve as speakers and consultants to our members
- Will have three full-time staff, one full-time faculty, and three part-time student workers
- Will be recognized as the benchmark Center for other family business centers around the world to use as their pattern for growth, education, research, and community involvement