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The discussion was moderated by David Woronoff, owner of *BUSINESS NORTH CAROLINA* magazine and publisher of *The Pilot* newspaper. Support was provided by Carolina Biological Supply Co. The discussion was hosted by Ward and Smith PA at its Raleigh office. The transcript was edited for brevity and clarity.

# FAMILY AFFAIR

*Experts discuss the joys and pitfalls of working with your kin.*

## UNCOMFORTABLE FAMILY DINNERS AND ESTRANGEMENT BETWEEN SIBLINGS ARE JUST TWO OF THE CHALLENGES OF FAMILY BUSINESS.

But the joy of building something over the generations, pride of ownership and playing a vital role in the community nourish those involved in such enterprises. Our round table participants know both the ups and downs and share some insights into working for the family business.

### HOW DO YOU HANDLE SOME OF THE DAY-TO-DAY ISSUES OF WORKING WITH FAMILY?

**DAVIS** What I found I have to do is bring numbers; everything has to come back to numbers. So if I ever come up with an idea for the business, I have to back it with numbers. Stick to business, not feelings. I think that's how you separate things with us.

**FUSSELL** Our board meetings used to be my dad, my mom, me and my two brothers. There were not a lot of boundaries. We would start fussing and fighting. Dad, poor fellow, was trying to set policies and get things into place and define goals. Our arguing interrupted a lot of that. It's kind of amazing that we are where we are coming from those humble beginnings.

We were very lucky in the fact that our business grew where he could place folks 2 miles over here and 2 miles over here, so that if we got into an argument, we didn't fistfight.

Today, my brother and I get along great. Unfortunately, somebody's got to be in charge and, because I'm the oldest, I placed myself in charge.

He does his thing and he's great at what he's doing. He's a little more on the political side, and I'm a little more of a nuts-and-bolts kind of guy. We get along great — it wouldn't work unless we did.

**GRIFFIN** We have grown to the size that we can work together but not be on top of each other. I live in Charlotte, and my dad and grandfather work in our Greensboro office. I get to see them, but I'm not up

under them all of the time. I think some space, some roles and responsibilities, and a little bit of structural change have helped us keep the family harmony.

### SUCCESSION PLANNING IS A VERY IMPORTANT PART OF FAMILY BUSINESS. HOW SHOULD IT BE APPROACHED?

**THOMPSON** Succession planning is not something you wake up one day and decide, "Today, we're going to move the company over to the next generation." It's a process. The folks that have been most successful are thoughtful in terms of what their goals are for the business in the long term, whether it makes sense to try to send it to the next generation, to train people internally to run the company or to sell altogether.

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Ward & Smith PA



I grew up on a farm. Every direction I looked there was someone related to me. Although I would look out and see all of my relatives located in different places in the distance, not all of them got along.

My great-grandfather originally purchased the farm [during] the Great Depression. He had four sons, and each of them ran an aspect of the farm. He died and had not done any planning whatsoever. They all went bananas, for lack of a better legal term.

My great-grandmother was still alive. When she passed away, they couldn't get along and they broke everything up. That was my initial experience with family business.

My great-grandfather wouldn't talk to anybody about it. He was never going to die until he did suddenly, and it threw everything in turmoil.

The most valuable thing you can do for your family is think through

these issues before it's too late. It's OK sometimes if the business isn't going to stay in the family.

My father did not farm. He opened an equipment company that basically handled anything smaller than large tractors and sold them. He continues to operate that company. I'm the oldest of five kids. None of the five of us went into that company. And that's OK. Everyone's happy. Everybody chose their destiny.

**BADR MORGAN** One of the things that family businesses struggle with is feeling comfortable putting structure in place, because you have learned to communicate as family members instead of as colleagues. You have to either adapt or completely break away from that and find a different kind of communication. And then you have to say, well, if it was my friend or neighbor or some third party, I would call a lawyer or figure out how to work the structure of the

company and put some documents in place that talk about what happens when someone dies, or if there's a fundamental disagreement. But it's my husband and my son and my uncle. I don't want there to be this notion that there's distrust.

#### **HOW DO YOU GROOM THE NEXT GENERATION FOR FAMILY BUSINESS LEADERSHIP?**

**STEPHENSON** My dad and his dad were in business together, and they had a serious falling out. It destroyed their relationship for the rest of their lives. They went different ways. My dad split off and started the little company that we have now.

When I finished at Wake Forest [University], it was expected that I was to come back to Wilson and run the family business. I did that for a couple of months and realized two things: I didn't want to work for my dad, and I didn't want to live in a small town.



I left the company. I went to work with Wachovia Bank, stayed there for 30-something years. In the meantime, my son finished at Wake Forest. His counselor told him, “You have a grandfather who has a business and has no successor management in place down there. That’s where you need to be.”

He interviewed with his grandfather, but my dad very smartly told him, “You need to go work somewhere else for a while.” He did that. He worked with two other employers for about four years. Then he went back and interviewed again, and this time my dad hired him.

I was in my late 50s when I went back to the company. My dad was ready to give it up at that point. It’s been an interesting route the way we worked our family into our company.

**DAVIS** I grew up in the family business. On Saturdays, I had my own little coveralls and I went under the house with my dad.

But I swore that I would never work in the family business — I went to college, I went to grad school, I got a job. I had several different jobs. When you get laid off and the economy is down, you do what you can to get a job, so I came back to work for my parents.

I think that’s great because I know how to talk to another manager or someone who’s not also my parent. I am adamant. I don’t want to be seen as the boss’ kid.

**GRIFFIN** I worked outside for three years with two different firms in real estate, and it was the best experience for me. My first boss was tough but he was also kind. That helped prepare me to come into the business. When I came back, everybody was really excited and happy. I got along with my co-workers better because I had some experience: I wasn’t just David’s daughter.

I think the message he sent by making me go to the field and making me do anything that anybody else

would do — that helps even the playing field for younger generations.

I have changed a lot. I understand now that I don’t have to be my dad to be successful in our organization.

He’s given me a lot of leeway to do things that I’m really passionate about, not following in his exact footsteps. I think that helps with family harmony, too.

**WHAT ARE SOME EMOTIONAL COMPONENTS OF WORKING IN THE FAMILY BUSINESS?**

**DAVIS** My parents are looking at retirement. I’m scared to death that I’m going to screw up, and they’re going to come looking for me.

If I screw this up, I potentially screw up my kids’ inheritance, where my parents can retire. Are they going to live with me or my sister or alone, out of our hair? I joke about it, but these are legitimate fears. If this doesn’t go well, we have really ruined some things.

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**DEVEN GRIFFIN**  
D.H. Griffin Cos.



**GRIFFIN** I think that’s what makes family business unique. We have all of the problems that other businesses have, but you have got a lot of heart, and so it is emotional. You have to have the heart balanced with the brains. Sometimes, it means that I may not be the one to move up the ladder; maybe a nonfamily member is the choice. You realize that it is bigger than just yourself. The company is more important than you.

#### **HOW DO YOU MAKE A FAMILY BUSINESS WORK?**

**FUSSELL** When I graduated from college — a lot of people don’t know, but we were in dire shape. My father had lost our house. We went from selling 44,000 cases of wine to 4,000 cases of wine in a four-year period.

I graduated and took my mom’s spot. I was the only employee of Duplin Winery. My mom went back to teaching, my dad went back to teaching. I didn’t really have the issues of what other employees were thinking. It was just me.

But we were very fortunate to learn a lot of the lessons that those bad times taught us. Luckily, I was paying some attention to the mistakes that we made. Then, we just got on a hot streak and started getting that momentum wheel rolling. Along the way, not because I was smart enough to try to find bright people to work with us, some people just happened to come on board and take ownership and help us.

Then my father returned, and that really helped a whole lot. And then, in 2004, he said, “I’m retiring.”

They decided that they were going to sell the company to their children. There were some difficulties. But they ended up selling us the shares using the profits that we would work to get. I look back at that transaction, and it was great to have something in place.

We had no family constitution. We didn’t say, “This is what happens if you are lazy, you don’t want to work, you don’t want to participate, you’re arguing, or you may have an addiction, or things like that.” We didn’t have those

things clearly defined. Maybe if we had, it would have been an easier transaction. I have a lot of guilt because I have a sibling that’s not participating with us right now. Hopefully, he will one day in the future.

**FALK** The good news about us is that we have employees that have worked for us for 30 years, and the bad news is that we have employees that have worked for us for 30 years. They are your family. Unfortunately, you spend more time with people at work than your own family, sometimes.

We’re on our second generation of employees. The hardest part of my career is when you have to terminate somebody who’s been with you since day one and has been a loyal and good employee but made a bad decision.

You can’t take anything personally. You have to be really careful. I remember my father always saying, “You can’t date employees.” When we go out, I have one drink and buy everybody a round, and then I leave.

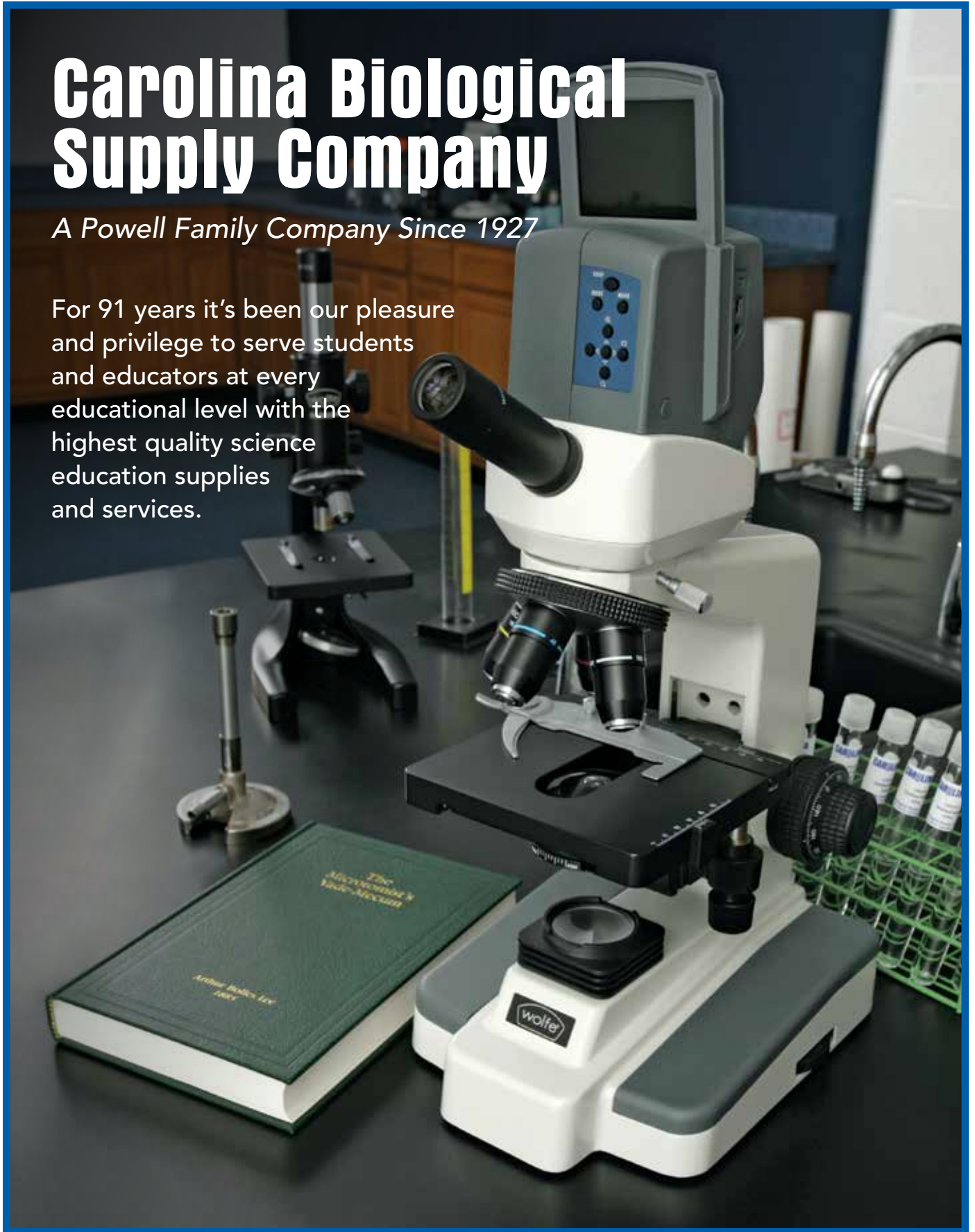
My father was a really big man, and he was really intimidating. We’d go home



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for dinner and we would not talk about work. We learned that what happens at the office ... that's different from family.

Unfortunately, [when] he asked me to come back [and join the business], it caused a rift and he ended up not having a relationship with my brother, which was sad. Family businesses are a blessing, but they also can be a curse.

**STEPHENSON** Back in 2008-09, we were a company of 120 people, and a tremendous number of those people had been there a long time. We had to start lopping people off. That was very painful. We ended up shrinking down to about 75 employees. The good news is that it did give us an opportunity to lose some people who were marginal performers, hangers-on, if you will. So we came back as a better company. We got the employment back up to about 100, and we're doing 20% more business volume with those 100 than we did with the 120. In a way, it was kind of a blessing, but it was painful.

### IS BEING A FAMILY BUSINESS A COMPETITIVE ADVANTAGE?

**FUSSELL** You know, when you walk in the door to the winery, you're going to get hugged, sometimes by me or my brother or my grandfather or father. My wife is working the cash register sometimes. I'll give wine tastings. We really are so blessed to have so many wonderful people working with us that we do go out together.

We advertise three generations: Three generations, two brothers, one story. We can try to make the best, sweet muscadine wine in the world, but we also have to have a great story behind it.

Growing up when my father came home from work, he was still working and talking to mother. We were heavily involved and listened to the back-and-forth disagreements or agreements. After dinner, dad went back to work. His hobby was work. His work was work.

His passion was Duplin Winery. So was my mother's. We have lived and

breathed it every day. I have done every single job. I want my son to have to do those same things. My wife, washing dishes after dinner, cusses me out because we got home too late. But you know, we're just comingled so tightly with our story and our family that it's something that we can't escape.

**GRIFFIN** We talk about it a lot, because it's who we are. Especially here in the South, telling the truth, being honest — people like strong family Christian values here. Being able to show that to our clients really resonates with them and sets us apart from a contractor focused a lot on profit and maybe not as much on the heart.

My dad has always talked with us about the business. It's hard for us not to take stuff personally because we're all so embedded in the story. I'm proud of it. I'm proud of our story, and I think it's a privilege to work with my family, and so, I want to go tell everybody. So yeah, we use it a lot. ■





# The complete package in shipping

**G**rowing up,” says Branden Burt, “Tyler and I would play UPS driver, and Kirsten and I would play businessman like Dad, carrying a briefcase and talking on the phone.” Now Branden and his sister Kirsten, Tyler Byrd and his brother Brian, are all helping to guide the company that their fathers, Travis Burt and Keith Byrd, founded when they were kids.

On June 8, 2008, sitting in the broom closet of Byrd’s surf shop in Emerald Isle, NC, the two former UPS execs launched their vision of a company that would let them use their knowledge and expertise to help businesses save money on shipping.

Fast forward a decade, and that vision has bloomed into one of the fastest-growing businesses in North Carolina, and one that already has been honored many times: a remarkable five consecutive listings on the Inc. 5000, back-to-back NC Fast 40 and North Carolina Top 100 Private Companies, Eastern NC BBB Torch Award for Marketplace Ethics, CAI Ovation Award for Corporate Social Responsibility, Business NC Best Employer in North Carolina and Employer of the Year, back-to-back Inc. Magazine Best Workplaces. The awards reflect the company’s ethos and values and provide inspiration for the future.

“We have a really good vision and clear goals for 2025,” says Burt. “The future’s very bright.”

At the core of that future is an unwavering commitment to remaining a family business.

“We’ve been offered to be bought out many times,” says Byrd, “but we’ve always said no because we want to carry on the legacy of the family. All four of our kids have stepped up to the plate and learned the industry. That’s very important to us.”



*Left to right – Business Intelligence Manager, Branden Burt; Audit Operations Manager, Kirsten Burt; Co-Founder, Travis Burt; Co-Founder, Keith Byrd; Freight Services Manager, Tyler Byrd; Director of Operations, Brian Byrd at our 10 year anniversary pool party June 2nd.*

Equally important is the outstanding team the owners have orchestrated to help realize their vision for the future. “The leadership that Keith and Travis have hired over the last ten years have helped this company to grow into what it is, and we, the next generation, are learning a lot from them,” says Kirsten.

The company is also firmly anchored in the beachside burg of Emerald Isle, a strategic decision by Keith and Travis, says Tyler, “that gives us all the opportunity to spend more time with family.”

Family at home, family at work. Since

she was a child, Kirsten has observed the “tremendous determination and inspiration that Keith and Travis have to make life good for the people that we hire, and to make this company a family business together, all of us.”

Looking to the future, Brian, the first “kid” to come aboard, sees the bright light illuminating the way for generations to come.

“I watched this business from the outside for five years, and you could see how special it is. I want to continue the legacy for my kids and grandkids. Everybody here is in neck deep, and nobody’s going anywhere.”



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