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## ***FAMILY BUSINESS FORUM***

### **Hard-Earned Lessons in Family Business**

By Donald Levitt

#### **The Issue**

It's pretty easy to find family businesses who want to share their stories of success. Finding family businesses who are willing to share their mistakes in order to help others...that's not so easy.

I first heard Walt Churchill, Jr. and his wife Lois speak about their family business at a University of Toledo Center for Family Business forum. I was impressed with their candor and contacted Walt to learn more. We met at Churchill's beautiful new supermarket on Briarfield Blvd. in Maumee – and chatted near the comfortable leather sofas and the large portrait of Walt's father hanging over the fireplace.

#### **The Family Business**

Churchill's Super Markets are an institution in Toledo, with a reputation for outstanding quality and service. The business was established in 1917, and run by Walt's father Walter Churchill, Sr. from 1937 until he suffered a stroke at 93 years old and died a year later in 1998. Walt Sr. was a general in the Marine Corps, and frequently reminded Walt Jr. that "I'm going to live to be 122 plus – and don't forget the plus!"

#### **To Leave, Or Not To Leave**

"As an entrepreneur gets older, they can become intimidated by their children in the business, seeing them as competitors," Walt noted. "My father was very active in the business and didn't want to give it up. He liked being in control, and he lived by The Golden Rule: He who owns the gold sets the rules."

Walt Jr. was named President in the early 1970's, but his father never gave up control. "When the transition didn't take place I kept trying to nudge my father, and he saw this as more reason to stay in-charge. The Board supported him in this – they knew The Golden Rule – and my mother told me to just be patient."

#### **Picking Up The Pieces**

"When my father died there was a power vacuum because no one had been allowed to share control." This led to misunderstandings and disagreements as to what Walt's father had intended for the future of the business. A family business consultant was hired to lead two-day family business retreats each of the next three years, but things just got worse. "It would have been better if we had done this 30 years earlier," noted Walt.

Ultimately Walt left the business for several years, and recently was brought back as Chairman and CEO. “My father should have made this transition while he was healthy and able to guide it along, rather than waiting until after his death to test out the next generation.”

### **The Future**

Walt’s nephew is now President of Churchill’s Super Markets, though he is still several years from retiring as a police officer. His nephew’s 16 year-old son also works in the business. Walt is a robust 75 years old, and anticipates being CEO for a number of years until a path for succession becomes clear.

### **The Tip**

Walt noted that “This is not a bad story – it’s a real story that people can learn from.” While Walt’s story is not unique – many family businesses fall prey to these same issues – Walt’s willingness and courage to share these challenges in order to help other family businesses is quite unique. Rather than always putting a “happy face” on things, the willingness to share “hard-earned lessons” is a powerful path to family business success.

*Donald Levitt, president of Levitt Consulting, helps family businesses to succeed as both a business and a family. More information about this month’s topic, and other family business issues, can be found at [LevittConsulting.com](http://LevittConsulting.com)*