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1. Corporate culture can make or break your company. The success of corporate restructurings or merger/acquisition deals often hinges on workplace culture, contend Drs. Sheila L. Margolis and Ava S. Wilensky, principals of CORE InSites Inc., an Atlanta consulting firm specializing in organizational culture and the strategic use of human resources. Margolis and Wilensky -- authors of *There Is No Place Like Work: Seven Leadership Insights for Creating a Workplace to Call Home* -- offer these guidelines for companies undergoing major change on maintaining productivity while encouraging loyalty and confidence:

1. **Understanding culture comes first.** Changes in all facets of a company must be aligned with the new culture. Therefore, you must define the culture first.
2. **Employee participation is key.** Defining a new culture must start with the leaders, but the process should include the entire organization. If all team members take part in defining the core culture, they will be more supportive of it.
3. **Defining culture requires getting to the core.** Culture is complex, but the core culture defines the few most essential principles that are valued. Keep it simple.
4. **Constantly communicate the core culture.** Leaders and managers should seek every opportunity to share the principles that are the essence of the new company culture.
5. **Live the core culture principles.** Leaders and managers must act in ways that are consistent with the core culture; otherwise, employees will just see it as a joke. The elements of the core culture must be real and valued.
6. **Everyone must be a culture manager.** There is a greater likelihood that the culture will thrive if all team members work to ensure that company actions are consistent with the core culture.
7. **A workplace should be the right place.** Employees who connect with the new culture will see work as an exciting place to be. But those who do not fit in to the new culture will feel detached and at a loss -- and may need to find a different workplace. Understanding core culture is fundamental to creating a workplace where employees feel a sense of community, connection and contribution.



2. No proxy battle in Ford's future. Unlike top executives at General Motors, Ford Motor Co. CEO William Clay Ford Jr. does not have to worry about challenges from outside directors, though the company's North American business lost \$1.6 billion last year, *Forbes* recently noted. "Ford Motor is safely in the hands of the Ford family, which owns an estimated 5% of Ford shares but controls 40% of the company through a special class of voting stock," the article said. "Bill Ford's kinfolk aren't about to toss out one of their own, even though Henry Ford's 48-year-old great-grandson has yet to prove he can stop Ford's dramatic slide in the U.S." According to the *Forbes* report, Ford outside director Irvine O. Hockaday Jr., who retired in 2001 as CEO of Hallmark Cards, "sits on the boards of three other companies that have dual share classes similar to Ford's: Crown Media Holdings, Dow Jones and Estee Lauder. Hockaday calls that a coincidence and says he thinks the impact of a family's supervoting rights tends to be overblown." But Patrick McGurn, executive vice president of Institutional Shareholder Services in Rockville, Md., told *Forbes* that family voting rights can "warp corporate strategy." (Source: *Forbes*, Feb. 27, 2006.)



3. One family-run manufacturer remains in former 'hardware capital.' Wahl Clipper Corp. is the last family-run manufacturer left in Sterling, Ill., once known as the "hardware capital," according to a recent report in the *Wall Street Journal*. "Most of the others have either shut down or shriveled in recent years, in part because of intense pressure from big-box retailers for rock-bottom prices," the article reported. CEO Greg Wahl, grandson of the founder, told the *Journal* that his company uses some imported components to make higher-end products in Sterling but built four foreign plants to keep business from chains like Wal-Mart, Wahl Clipper's largest customer. Wahl Clipper employs 650 workers in Sterling, down from a peak of 804 in 1997, the report said. "Having a domestic presence keeps the company linked to its customers and aids quick response to new product innovations," the *Journal* reported. Greg Wahl also told the *Journal* that "having its own factories overseas rather than contracting with manufacturers there gives his company an advantage" -- and that last year was Wahl Clipper's best year ever. (Source: *Wall Street Journal*, Feb. 24, 2006.)

For the story of Wahl Clipper's acquisition of Moser, a family-owned competitor in Germany, see ["A cutting-edge merger abroad," by Shu Shu Costa, *Family Business Magazine*, Winter 1997.](#)



4. Coming in mid-March: *The Family Business Policies & Procedures Handbook*. It's no wonder that family business owners occasionally feel overwhelmed by the complexities of managing their companies. It's a challenge to keep track of where you are when your Thanksgiving guest list might be debated at your managers' meeting and your quarterly results brought up at your Father's Day barbecue. Fortunately, wise observers have analyzed the interplay of family and business roles and have developed practical methods of approaching them. *The Family Business Policies & Procedures Handbook* -- the tenth volume in the acclaimed *Family Business Handbook Series* -- offers step-by-step advice from these experts on topics such as family and business leadership and governance, partnerships between siblings and cousins, succession and estate planning, sound fiscal practices and family employment. Click [here](#) to learn more about our new handbook, view the book's table of contents or place an advance order.

People want to know

5. Preview of *Family Business Magazine's* Spring 2006 issue. Subscribers to the print edition of *Family Business Magazine* will receive the Spring 2006 issue in mid-March. This issue includes a special report on what Gulf Coast business families have been doing to recover from Hurricane Katrina's destruction. Also featured are tips on profiting through partnerships with other companies, by forming a strategic alliance or by joining a buying group. And third- through sixth-generation family business leaders share their thoughts on building a family company that lasts. Visit our website for [subscription information](#).