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25 YEARS
1983-2008



Canadian Family Business

A publication of the
Canadian Association of Family Enterprise

Maintaining Balance

Achieving the Right Work/Life Mix

The Power of Benefits and Recognition

Tips for Building Employee Loyalty

O'Regan's Auto-Motivation

Fast Steps to Successful Succession

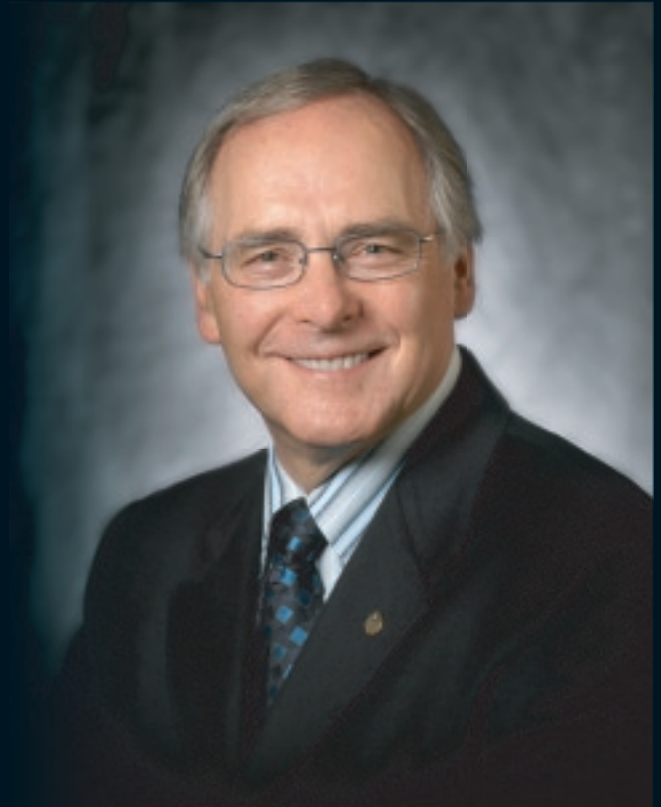
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Canadian Family Business

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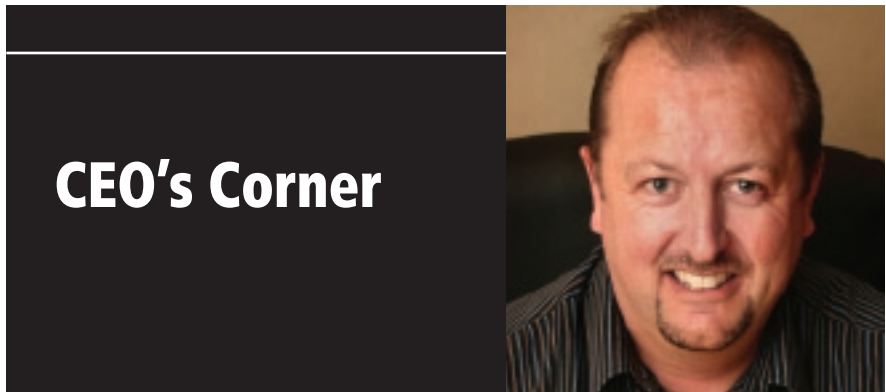
Welcome to this edition of *Canadian Family Business*.

Like so many people, it always seems to me that as summer ends the new year is really beginning. CAFE starts its activities in September with a new year of programming being offered across the country. We are really excited that this fall we see our first pilot group going through the Future Leaders program, which is being pioneered by our Southwestern Ontario chapter in association with the Ivey Business Families centre. This new program is designed to complement the PAG experience while providing a forum where future leaders can share experience and learn from some of the best family business minds in Canada. Our hope is that once complete, we will next year offer this in every centre in Canada.

We are also putting the finishing touches on rollout of a new program that will be designed to build a forum between a PAG and a CAG. This program was piloted with great success in the GTA and is now being polished into a CAFE-wide process.

Finally, we are on the verge of some breakthroughs in our electronic networking of our community. I am not at liberty to say more right now, so you will have to keep your eyes peeled for announcements in the near future.

As we start a new year why not take a new look at CAFE and what you could be missing out on. If you're not in a PAG, why not? If you don't attend events anymore, why? It is by connection and community that the business families of Canada can see out the current financial



whirlwinds and continue to form a solid backbone to our economy. More than ever, Canada needs you to keep going and prove again the power of a family in business together.

Cheers

Handwritten signature of the author.

As the president of a growing family business with a young family, and also the chair of the board of CAFECanada, I am often asked about how I maintain a work/life balance. It is an important challenge and I offer some of my thoughts in the hope that it may help you.

I have had many role models to learn from, many in my own family. They have greatly influenced the way I live my life.

My father certainly did not waste any time. If he had a fault, it was that he was always trying to fit too many things into too little time. Time is a precious resource. We are given a limited amount of time on this earth and the worst of it is that we never know how much of our time we have left. My father died suddenly at the age of 59. This has reinforced in me that I want to make good use of the time allotted to me, even if the use is for relaxation.

My great aunt Amy has shown me the importance to continuously learn throughout one's life. She started and achieved a master's degree in her late 80s and continues her studies in her 90s. Taking time to learn is important and keeps life fresh.

My uncle Scott always had a positive outlook and I try to emulate that in my own life. My philosophy is that life is a journey, not a destination. I am not living or working to reach a certain status. I have seen and heard of many people who work every day, looking forward only to their next vacation and an early retirement when they can enjoy



themselves. I think it is very important to enjoy what you do and cherish every day. If you like your job and can have fun, then it isn't really work. You can look forward to the start of the day. I know my children enjoy spending time with me as much as I do with them because they get out of bed at least an hour earlier on the weekend when they don't have to go to school. Many of the people I have met in family business never retire from work, including my uncle Dade. They enjoy coming to work too much.

My mother helps bring me back to the importance of family. Growing up we spent winters, summers, vacations and holidays together with my cousins. That tradition is upheld to this day, in a large part thanks to my mother. My brothers and all of our families are always welcome at the family cottages, which have expanded to fit the ever growing Wilson clan. This makes double use of leisure time to relax, have fun and stay connected with the family.

The part I have probably figured out myself, with some help from my wife, is the importance of time spent with my children. Many people with older children have warned me how fast children grow up and I understand they are our greatest legacy. My kids are aged four and five and they won't be that age ever again. You can't go back so it is important not to miss things the first time.

It is hard to maintain a balance in life because there are so many demands on our time. If we remember how precious time is and how much there is to enjoy, at least we can make the most of the time we have.

Ian Wilson, National Chair

2008 Symposium Highlights

May 2008, Halifax, Nova Scotia



O'Regan's Automotive, Winner - 2008 Family Enterprise of the Year



Donal Ryan and Eileen Hennemann, Ottawa Chapter



Quail's Gate Estate Winery, Finalist - 2008 Family Enterprise of the Year



Nancy Lee Glover and Grant Walsh, Ottawa Chapter



Hulse, Playfair, McGarry, Finalist - 2008 Family Enterprise of the Year



Conference Delegates participating in "Save the Titanic"



Conference Delegates participating in "Save the Titanic"



Andrew Molson shares his insight with conference delegates



Vector Construction, Finalist - 2008 Family Enterprise of the Year



Downeast Hospitality with "Fiddles and Feet" at Pier 21



Downeast Hospitality with "Fiddles and Feet" at Pier 21



Downeast Hospitality with "Fiddles and Feet" at Pier 21

In The Driver's Seat

The O'Regans of New Brunswick have built an auto-empire fuelled by smart succession strategies

By Robert Martin

2008 Family Enterprise of the Year – Winner

While the Irving family of New Brunswick has been hogging the headlines in the daily business press of late because of concerns that internecine squabbles may break up its multi-billion dollar empire, the fact is that many families across the Atlantic region are facing the same problem. All those aging boomers are worried that the last sound they hear may be their family businesses exploding as their children hurl litigation grenades into the mix.

According to John Fast, founder of the Centre for Family Business at the University of Waterloo in Kitchener, ON, planning for the time when they are no longer in control is the hardest management challenge heads of family-owned businesses face, especially if the head is male. Guys hate to let go. That's why Fast says the O'Regan clan is exceptional. They're doing it young and doing it right.

Perhaps it's because Paul O'Regan is a cautious man. Despite the fact that the dark wood top of his boardroom table is already protected by a sheet of glass, he carefully places a coaster under a glass of water to prevent staining. He is cautious but not calcified, an admitted entrepreneur who isn't afraid to take risks but likes to assess them first.

On a shelf near the boardroom table, there are little plaques, of the sort found in knick-knack stores, offering words of wisdom. "Read this," says one. "When you're through changing, you're through."

It is this balanced approach to business risk that led the O'Regan brothers, Paul,

63, and his older brother Stephen, 67, to embrace succession planning early. Between them, the two brothers have eight children, five of whom are directly involved in O'Regan Holdings Ltd. or its many car dealership subsidiaries. The O'Regans sell 11 different brands of new cars at 11 locations in Halifax, Dartmouth and Bridgewater, NS. The holding company also runs two used car lots, one in Halifax, the second in Dartmouth, as well as car cleaning, repair and leasing businesses.

Although the five O'Regan children represent the third generation of the family involved in the car business, there hasn't been a true succession before. Paul and Stephen's father's involvement dates back to 1915 when Stephen Ernest O'Regan got the Ford dealership in Parrsboro, NS.

"In 1956, he closed out the business when the new Trans-Canada Highway was routed through the Wentworth Valley and bypassed the town," Paul says in his corner office at O'Regan Chevrolet-Cadillac on Robie Street. Instead, all three O'Regans of that generation, including the boys' sister,

Mary, went to Saint Francis-Xavier University in Antigonish, NS. Stephen became an engineer; Paul, a high school teacher.

Both brothers worked at odd jobs at their dad's dealership, at his insistence, but neither took it seriously at the time. Paul explains that they could get out of work if they were involved in sports so both took out 25-cent junior memberships at Parrsboro's nine-hole golf course in order to duck out of work.

But both got enough of the bug that they were drawn back into the industry after Paul turned a personal tragedy into a career change. He had taken a year's leave of absence from teaching in June 1973, to help care for his third son, Danny, who was so ill he had to be taken to Montreal frequently for treatment.

"Unfortunately, Danny died in September 1973," Paul says, "and I was left with a whole year. So I rented a defunct gas station from the Irvings at the corner of Thistle and Maple streets in Dartmouth and hired one of my students." He never went back to teaching. By 1981, business was good enough that he hired his older brother away from Nova Scotia Power to run a business that leases all makes of cars. In 1985, the O'Regans and a third partner, since bought out, acquired Scotia Chev-Olds on Robie Street in Halifax, now called O'Regan's Chevrolet Cadillac and the brothers' corporate headquarters.

The dealerships snowballed. Paul O'Regan rode the wave of foreign growth during the 1980s and 1990s, particularly with Japanese manufacturers who weren't as fussy as their North American counterparts about limiting the number of dealerships one owner could operate. That's how O'Regan ended up being the sole Toyota dealer in Halifax, Dartmouth and Bridgewater.

Despite the blur of expansion and acquisition that continues to this day, Paul, like his father before him, took time to look into the future and saw, not a highway bypassing his business but a multi-car pile-up at a freeway interchange made up of competing family interests, all on a collision course. That's when he became a convert to the John Fast school of succession planning, an exercise that, despite the consultant's name, is slow. What follows is a step-by-step itinerary of the O'Regan's journey.

Fast Steps to Successful Succession

1. Formalize the process

The O'Regans learned early that success can breed trouble when it comes to

running a family business, and as early as 1992, Paul hired Reg Craig from Dalhousie University's School of Social Work, "to help us work out some issues like what was going to be the structure of decision-making," Paul says. The problem was that Paul was the driving force in the car business. His older brother was basically working for him. With continuing expansion, cracks began to show in the relationship between the two brothers.

"We had to learn to park our egos at the door," Paul says, wisdom that has served them well as more of their children became involved in the business. Between the two brothers there are eight children, all, Paul notes, St. F-X grads, like their fathers. As

a result of their early experience of having help to work through personal issues between them, the two brothers looked at succession planning as part of the normal business process.

Paul wanted the children to be evaluated, just like other employees. He had learned early, when staff jumped from 12 to 108 with the acquisition of the first dealership, the importance of looking after human resources and, according to the company's website, became one of the first car dealers in Atlantic Canada to establish its own HR department.

But, as succession planning counsellor John Fast puts it, "when Paul asked his senior management to do performance

The Players

Paul O'Regan, 63
President, O'Regan Holdings Ltd.

Stephen O'Regan, 67
Vice-Chairman, O'Regan Holdings Ltd.

Paul's Children

Sean O'Regan, 38
Vice-President, Sales

Patrick O'Regan, 37
Vice-President, Business Development

Kathleen O'Regan, 32
Director of Human Resources

Stephen's Children

Tim O'Regan, 34
Managing Partner and the General Manager of O'Regan's Bridgewater dealerships

Mary Ellen O'Regan, 27
Sales Manager, O'Regan's Mercedes-Benz



Left to Right: Mary Ellen, Patrick, Sean, Kathleen and Tim O'Regan



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Paul and Stephen O'Regan

reviews on his kids, they quickly decided that it might be a career-limiting move. That's when I was called in."

2. Hire a consultant

Lawyers and accountants are all necessary parts of a succession planning team, Fast says, but a family in a complex situation like the O'Regans—two brothers, five employee-children, 17 direct relatives, 11 dealerships in multiple locations — the team needs a quarterback.

Stephen O'Regan agrees. "John Fast's philosophy of succession planning is that the legal and financial parts are the easy ones. The more difficult part is the emotional side. If that can be massaged and worked out, then the legal and financial parts are relatively easy," he says.

3. Define success

Fast says "Paul and Stephen are exceptional about values and the importance of family values.

Optimizing family health is more important to them than the business." Many families, Fast says, think keeping the business going is more important because that provides their living but it's a case of the tail wagging the dog. Many families fall apart in a fight for control and sometimes destroy the business in the process.

So the O'Regans defined success as keeping the family together but in order to do that, everybody's role, both in relation to the business and to each other, had to be clarified. That proved to be the hardest part.

4. Clarify roles

"It was painful," says Stephen O'Regan. What started as a performance review for a few employee children morphed into two complex parts: a 360-degree review involving comments from superiors, peers and people reporting to the children; and full personality profiling for the entire 17-member family. It started with every family

O'Regan's Advice For People Considering Succession Planning

Stephen: Get at it. It is very difficult to get started and there is a great tendency to procrastinate. Then you're forced to do it in conditions that are less than favourable.

Paul: I would strongly advise getting outside assistance.

Don't expect that you can do it in a day or a month. Things evolve.

Don't get your business succession and estate planning tied up together. It's natural to want to look after everyone but do it out of the estate, not the business. It's important to make that distinction.

The business should be run by the people who are turning the wrenches.

member taking a Myers-Briggs-style personality assessment. Their profiles were then posted on a board at a meeting to which all were invited.

"It was interesting to see which types got on best with other types," Paul says. It also helped the family articulate some concepts, such as that some people wanted to be involved in the business and others did not; that only people who worked in the business would control the business; that there is a difference between business succession (who runs what) and estate planning (who gets what); and that everyone would be taken care of even if they weren't in the business.

With everyone understanding where they stood on the O'Regan family chess board, the hard part began: evaluating the children who worked at the business.

"The first 360-degree session was painful," Stephen says. "Some of the individual issues were hurtful and

sensitive, such as how the next generation was perceived by their co-workers. It was disturbing for them because they didn't realize that there were a lot of negative issues."

5. Ensure genuine choices

"It's important that people not be pushed into a corner," Fast says, either by parental expectations or their own dreams. "We try to help people move beyond their fantasies till they get to the point of establishing what's really going to work." For the O'Regan children, it meant establishing personal goals they had to reach before a second 360-degree session was held, and an understanding that they had to put some personal ambitions on hold.

"The past seven years have been one long communication exercise," Fast says. The children were still young when the process began and "they needed to take the time to sort out their own sense of self. There has been a lot of maturing going on during the process," which, Fast adds, is ongoing. Asked who will be the president of O'Regan Holdings when Paul and Stephen are gone, Fast says, "the last chapter hasn't been written."

6. Cede control

"The O'Regans have done it as graciously as any business owners I have ever seen," Fast says. Both have stepped away from the day-to-day operations of the individual dealerships although they remain strategically involved in expansion plans like the Nissan-Hyundai dealership and used car emporium being built on the skeleton of the former Home Depot on Portland Street in Dartmouth.

Fast says it is particularly difficult for men to cede control and both brothers say they have no interest in just walking away. But they are trying to develop other interests. The two jointly co-chaired a recent capital campaign for the Ship's Company Theatre in their hometown of Parrsboro and, in the

fall of 2007, took their wives on an African safari.

And a beneficial by-product of all this planning for the future is that the company is better in the here and now. "It takes a lot of issues that are not really voiced and gets them out in the open," Stephen says. The children have realized they have to mature into leaders if they want to be involved and the hired managers have learned to work with them, a requirement

Paul says is vital. "If they don't respect the next generation, you're cooked," he says.

As a result, Paul says that a lot of pressure has been released from the human resources pressure cooker and Stephen points out that in the summer of 2007, O'Regan's was selected as one of the best companies to work for in Atlantic Canada, that it was the biggest (with 550 employees) and that it was the only one in the automotive industry.

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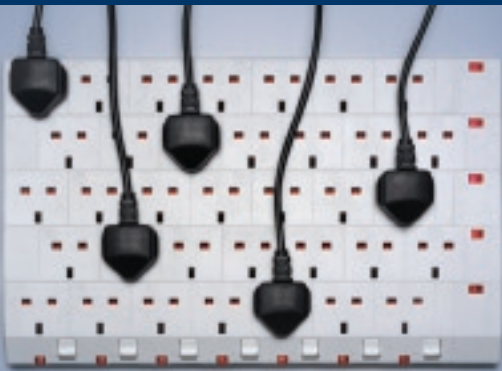
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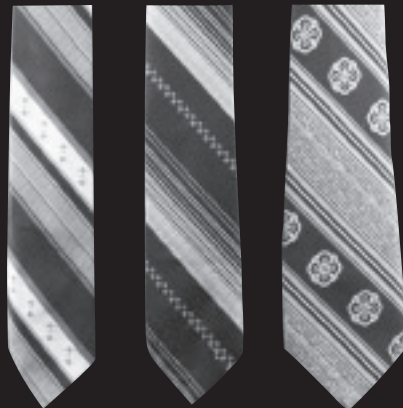
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The Art of Delegating

A Critical Approach to Achieving Work/Life Balance

By Bill Fields

For family-business owners and managers, *work/life balance* seems like an illusive dream. The solution is *delegation* – but far too often, the lament is that they cannot delegate to subordinates, because “the job just won’t get done properly.” This either means that a major portion of the world is incompetent or that there are some other dynamics at play that require examination.

What is Delegating?

Delegating may be defined as, “commissioning a person as a representative with power to act for another.” Thus, delegating implies both responsibility and authority. What has been omitted in this definition, however, are the required competencies to carry out the action in an effective manner. And therein lies the basis for the universal lament.

If an employee has the required competencies, then:

- clearly define the assignment;
- make available the necessary resources;
- assign authority;
- specify deliverables and timelines;
- establish accountabilities and consequences; and
- let the employee carry out the assignment.

Too often, managers erroneously assume that employees know how to perform a task or function, even though they have no related training or experience. Management has failed to manage and, in the process, has created the self-fulfilling conundrum – “It’s easier to do it myself.” How do we work our way out of this morass?

At The Task Level:

A Four-Step Process

In order for a manager to delegate with confidence, the employee first will need to be coached in how to perform a particular task. The complexity of the task will determine how in-depth the coaching will need to be. For tasks of a less-complex nature, a four-step process is used.

1. Describe

In detail, describe the task in its entirety. The use of written procedures, work instructions and checklists is very helpful. Provide relevant related information, so that the employee can understand the task in relation to other activities. For example, if the task relates to manufacturing, discuss the material inputs and their characteristics; explain how the component is used and where it fits in the overall process; identify critical features, such as quality standards, stress points, burrs, etc.

2. Demonstrate

Show the employee how to perform the task. Take sufficient time to ensure that the employee observes each step of the process. Point out critical actions and identify potential problems and their solutions.

3. Observe

Have the employee perform the task.



Take note of where the employee performed effectively and how any errors in execution can be corrected.

4. De-Brief

Provide immediate feedback to the employee, positively critiquing the performance. Ensure that the employee has sufficient opportunity to ask questions and to confirm performance standards and operating procedures.

This cycle will need to be conducted several times, because competency is achieved through training **and** experience. Periodic performance reviews also are appropriate.

Complex functions and assignments

More complex functions and assignments have a number of additional features. Describing an assignment requires more detail and comprehensiveness. In fact, in some assignments or projects, all the details may not be known at the outset, but dynamically are discovered through the process itself. The nature of this ambiguity needs to be discussed and understood. Stay close to the employee — be available for regular reviews and coaching sessions.

Too often, management has failed to manage and has created the self-fulfilling conundrum – “It’s easier to do it myself.”

At the outset, determine the skills and knowledge required in order to perform the function. If the employee has skill gaps, formalized training may be required. For instance, if the assignment is to interview and recruit a new employee, a training program in Behavioural Interviewing Techniques will prove extremely beneficial.

Critical paths, timelines, deliverables, resource requirements and strategies for overcoming constraints need to be identified. Potential problems must be highlighted and contingency planning conducted. Regular benchmark reviews during the life of the assignment need to be scheduled. In complex

assignments, expect to spend significant time with the employee, coaching for higher performance.

Job functions

Job functions are even more complicated. Flowing from a detailed job description, major responsibilities may be recast as competency groupings. Practical exposure, testing and analysis will determine which training interventions are necessary and appropriate. Employees will progressively mature in their positions, through regular training, upgrading and coaching.

In situations that require judgement, remember that wisdom often is the outcome of reflecting on previous

mistakes. It is necessary, therefore, to create circumstances that allow the employee to take risks, with the implied recognition that there will be some failures. It is the manager’s responsibility to manage this process in such a manner that the organization’s exposure is minimized, while the employee’s growth potential is maximized.

Through a consistent and persistent system of coaching, employees will develop and demonstrate the required competencies to perform a task, project or job. If you have the commitment to invest the time to share your knowledge and experience, you then will find yourself in the happy position of being able to delegate with confidence, assured that your employee will perform well. For family-business owners and managers, this is a critical step to achieving the personal *work/life balance* that you seek.

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A Leader's Brand

Stand out in your industry

By Jeremy Miller

The Internet age could also be described as the age of curiosity. With the power of Google, your customers are searching for more and more information on you and your family business. Too often they don't find much. Maybe a corporate biography, a quote in a press release or maybe even the stats of a marathon you ran 10 years ago. Whichever it is, your customers aren't finding the kind of information that reinforces your brand or the business you lead.

Now more than ever before, personal branding is a must. You know your customers want to know more, so satisfy their curiosity. Help them to get to know what makes you remarkable, and how you and your family built such a successful business.

Personal branding is easier said than done. It isn't about starting a blog or hiring a publicist. It is about defining what makes you remarkable and packaging it for the public. Packaging yourself is the most difficult part of personal branding. Why? Because you have to say "no." You can't be all things to all people, which means you are going to have to make choices and some of them will be hard.

Start by asking yourself some basic questions:

1. What do you want to be known for?
2. What is unique about you and really stands out in your business life?
3. What value do you bring to your customers?
4. What value do you bring to your company and its core stakeholders?

Use these questions to stimulate ideas and come up with a brand statement that best describes who you are and how you contribute value in business. The statement will read something like, "I am a [insert a statement of what you do here]. I create value by [add a statement of how you are remarkable here]." You will know you are onto something when you can define how your personal brand makes you money.

Once you can define how you create value, you can move onto the fun stuff: promotion. Getting known is the reason to brand yourself, and it plays right into your customers' innate curiosity. Since personal branding plays on your strengths, use your natural talents to promote yourself. If you are a great networker – network. If you are a great writer – write. If you are a great presenter – get speaking gigs. If you have a marketing department – task them to promote you. That's the benefit of being an entrepreneur. You have choice.

Marketers like Seth Godin and Guy Kawasaki have propelled their brands to great heights through their blogs. They have combined their writing skills with the ease of publishing a blog to build huge audiences. Beyond blogs,

the web is full of great promotional tools. You can take your networking skills to LinkedIn or Facebook. You can even take your presentation skills to create a podcast or series of YouTube clips. If you aren't into the Internet, get belly-to-belly with your audience. Attend networking events and other social events to let people know you are out there. It is really exciting to think of all of the options you have to promote your brand.

It doesn't matter how you promote yourself, as long as it is consistent. Personal brands gain strength through repeat exposures. One impression is an anomaly, and has very limited impact. As you gain more opportunities to connect with your audience the more they will be able to identify and connect with you. Ultimately this builds trust, and the ability to call upon these people when they are needed.

Personal branding is not a one-shot deal. You will continue to refine and evolve your brand over time. Yet if you take the time to build your brand conscientiously it will be a powerful asset in your business. It will draw customers to you, and help to connect your employees to your organization. The ultimate benefit of personal branding is freedom. When your brand evolves you will have the freedom to grow the type of business that fits you.

Jeremy Miller is a Partner with LEAPJob, a sales recruiting firm and family business based in Toronto. Jeremy is a member of the CAFE GTA Board of Directors and can be reached through www.LEAPJob.com.



The Power of Benefits and Recognition

Finding new ways to build employee loyalty

By Nina Pillitteri

National Director, Small Business Clients, RBC



It can be a challenge to find — and keep — the right talent for your company. To stay competitive, you want the smartest, fastest and strongest. But you're not the only company vying for the top performers. So what's going to make them choose you over your competition?

It's a new generation of workers. Are you keeping up?

Today's emerging generation of workers, called the "Millennials" or "Generation Y," has been "told, through both the media and home, that they can have it all. This generation has a strong sense of entitlement. Striving for a quality of life only known by the rich and famous, wanting the best and thinking they deserve it makes Generation Y driven and ambitious, with high expectations."¹

Increasingly, employees new and old are asking for more than just a well-paying job that personally challenges them. They also want to know that you value them and will support, motivate and reward them. To keep up with this growing "me" workforce, you need to become evermore creative with the incentives in your employment package.

Employers of choice offer attractive saving opportunities

A poor or missing employee benefits package makes it easy for others to lure your key people away. Those with the best, most comprehensive packages almost certainly have an edge over their competitors.

While other companies still provide only mandatory benefits (i.e. vacation pay, maternity leave, workers' compensation, Employment Insurance and Canada Pension Plan), you can show you care and are willing to enhance job resources with a broader compensation package. For example, a registered savings plan (RSP) or tuition-payment plan. Other good incentives to look into are banking packages that offer better interest rates and lower fees.

Before deciding on a plan, it's a good idea to survey your employees to find out what they value most; then create a plan that best meets their needs. Consider these plans:

Group savings. Long-term savings plans such as RSPs help employees put more away for retirement, while short-term savings programs help them save for bigger items like a down payment on a home or a dream vacation. It's easy. Your employees contribute a percentage through an automatic payroll deduction. You then have the option to contribute to each employee's group RSP account at a rate of your choice. If the employee leaves, their money in the group RSP

can simply be rolled into their next employer's plan or into their own private plan, usually without triggering tax consequences. Plus, contributions are tax-deductible, which eases the employee's annual tax burden and even enables payroll to reduce the amount of source-deducted tax.

Group banking. A group banking program gives employees a preferred package of financial services and rates. This includes lower banking fees and better interest rates on a broad range of savings plans, loans, investment vehicles and credit cards. As well, they have access to financial planning services with experienced financial planners. Best of all, group banking is free for the sponsoring company.

Flexibility should be in every modern workplace

In addition to monetary incentives, an attractive workplace incorporates three ideals into its practices: fairness, compassion and trust.

Using fairness, compassion and trust when you manage your people will help you build the loyalty you strive for. You can put these into practice by listening to employees' needs and being more flexible in how you accommodate them.

Flexibility is every bit as meaningful to employees as pensions and insurance. Having flexible programs shows you recognize your employees as people, not just workers. It

Before deciding on a plan, it's a good idea to survey your employees to find out what they value most; then create a plan that best meets their needs.

demonstrates to them that you're fair and you trust them. While some may appreciate a summer-hours plan, others may need flexible work hours to look after a family member. A little creativity and sensitivity can go a long way.

Flextime is one program that's gaining acceptance among employers. With flextime, the company designates "core hours" when workers must be on site, but employees can fulfil the rest of their hours when it is more suitable to them. They can choose to work some short days and some long ones or vary their start and quit times. Flextime can be extremely valuable for employees with young children or other dependants.

Telecommuting reduces travel time and generally helps employees strike a better work/life balance. It's ideal for positions that benefit from uninterrupted thinking, but possibly not for others that rely on meetings and teamwork. Bear in mind that fairness is always vital when granting various types of flexibility. An employee's productivity and work quality eventually tell the tale. Often these actually improve when an employee works part of the time at home, free from distractions and interruptions.

On-site daycare, job sharing, leaves of absence and continuing education are other good examples of flexibility in the modern workplace. Instead of meeting financial and health needs, they satisfy human and lifestyle needs, which are equally important.

Rewarding loyalty and accomplishments

Base pay should cover day-to-day job performance, while performance incentives and bonuses should award achievements of specific targets. And the difference between the two should be clear to your employees. A well-structured performance program can literally put this principle to work for your company — giving your employees the opportunity to gain more will give them the drive to produce more. In the end, everybody wins.

First, establish an approach to base-pay compensation, including benefits² such as extended health and life insurance, so your employees know from the start you are paying fair industry rates or better. Then develop an approach to raises and promotions that reward loyalty and accomplishments. Your pay scales need to attract and retain employees. At the same time, new employees should be paid at levels that give you room to reward them as they grow in their jobs. Many employers also believe that as much as one-third of



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To keep up with this growing “me” workforce, you need to become evermore creative with the incentives in your employment package.

total compensation for some positions should be based on performance.

Regular pay raises reward important contributions such as these:

Loyalty and length of service. Annual increases tell your employees they are becoming more valuable to the company. This goes hand-in-hand with annual performance reviews, which reinforce that you appreciate them and let them know the additional responsibilities you expect from them to earn the next raise.

Individual performance. Rewarding employees for achieving individual goals encourages them to take personal responsibility for their results. Rewards

Employee Loyalty Tip

Your employees spend at least half their week at work, communicating with work or on their way to and from work. So it's easy to see why so many want to work in a job they like. Workplaces that welcome, stimulate and provide a safe environment for employees have the extra competitive edge in a tough market.

can take the form of bonuses, regular periodic commissions or a larger pay raise. It is important to establish clear goals to trigger the reward.

Team performance. Team rewards can work well for temporary project teams and company-wide programs. They can be non-monetary such as extra time off, an employee-appreciation event or gift cards for their personal use. It is surprising how groups will pull together to meet, share information and collaborate when a tangible group reward could be the end result.

Entrusting these tasks to HR outsourcers

Creating an integrated loyalty plan that attracts, retains and motivates employees can be time-consuming. Administering that plan day by day can divert resources from your mainstream business. Every HR task today requires increasing levels of expertise: calculating payroll, gathering employee hours, tracking employee benefit programs, administering pensions, ensuring a safe work environment and more.

Companies of all sizes are entrusting these tasks to HR outsourcers. These organizations have experts that understand and keep abreast of changes to government regulations, ensure compliance with all regulatory bodies, offer personalized service unmatched by in-house systems and use the latest technology to fully host your data.

When engaging an outside provider, find one that's stable, employs qualified professionals and has the resources and

know-how to handle both immediate and gradual shifts in your business. This is especially important if you wish to outsource a range of HR functions.

Retaining good employees not only helps your company grow and prosper, it also saves you the recurring costs of recruiting and training new employees — substantial savings that go right to your bottom line.

By paying your employees accurately and on time, having access to HR data to facilitate succession planning and giving your employees self-service options for benefits administration, you will help create a more satisfied and loyal employee base.

Remember, a company with talented and motivated employees runs on all cylinders, increasing satisfaction for all.

At RBC Royal Bank, we take the time to understand you and your business. For timely advice on your business or personal finances, our small-business advisors in branches across the country are trained to listen, understand your business and work with you to find that solutions that are right for you.

1. “Generation Y: The Millennials: Ready or Not Here They Come.” NAS Recruitment Communications, 2006.

(www.nasrecruitment.com/TalentTips/NASinsights/GenerationY.pdf)

2. Talk to a licensed insurance advisor for more information on group benefit plans.

Mentor, TorMentor – Support & Mentorship

By Erin Rayner

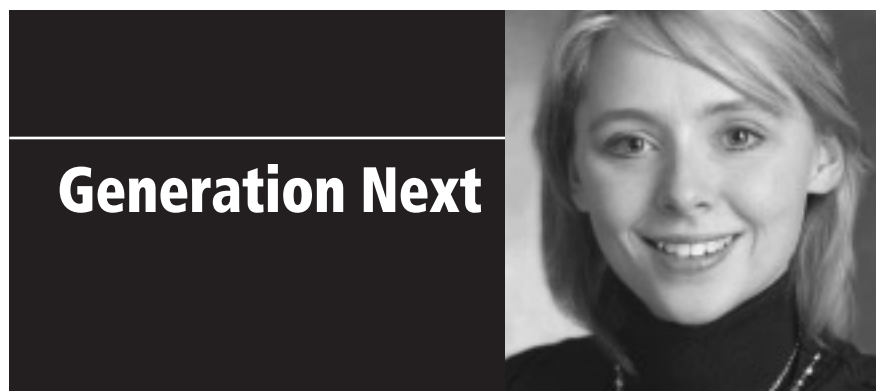
Mentorship is important for family business successors for three reasons:

1. A mentor gives the mentee a filter for what is going on in the business and can help to remove some of the emotion that sometimes abounds with families in business.
2. A mentor provides an accountability mechanism to the mentee for their personal and professional development.
3. A mentor offers an experienced, trusted sounding board for issues and matters that the mentee may have never faced before.

I find some successors are able to be mentored by their family members but an outsider's perspective and experience is often valuable as well. I love and admire my father for his fatherliness and his business acumen — he was able to sustain our family's business through two recessions — but we're not a good mentor/mentee match. We are unable to keep each other accountable and sometimes, I find it hard to be open to his advice as a fellow business owner rather than his daughter.

I have, however, lucked out with the mentors I've had. The most influential one and I found each other by accident.

At one time I wanted to go into the music business — I wanted to be a jazz singer. My dad and I took a trip to Toronto to look into the University of Toronto Jazz Performance program. While there, we had coffee with Bob, a childhood friend of my dad's. It was a quick coffee and a quick discussion, which I later learned was a trademark of Bob's — everything in his world



moves fast. He said a few words at the end of our discussion that day in 1996 that he may have regretted: “If there's anything I can do, give me a call.” Five years later, I did.

He took a big gamble on me — I was a fresh, young kid from Alberta, in the middle of my first year of business school and looking to get an internship in Toronto to work in the arts (music, television, film, something glamorous!). He taught me more than I could have ever learned on my own. We had a very informal mentor/mentee structure — I called when I needed a hand, he was usually available for 10, 15, 20 minutes of speedy, very condensed Bob-time.

The Mentor Filter

The filter he provided was another business owner's outlook. Until working in Toronto, I'd only had the experience of my dad the business owner. Although business was the topic of discussion around our dinner table growing up, truthfully, I was only peripherally paying attention. Bob was able to reposition and rephrase some of the lessons my father was trying to teach me as I grew that I was unable to hear coming from him.

My TorMentor

Bob also was the first person to show me the true meaning and impact of being accountable. Initially it was a very simple process — he taught me the power of a thank-you card. It was a requirement that after every interview or meeting I had especially with someone he knew, I had to send a card — not an email — but an actual card within 24 hours of the meeting. Trust me when I say I only had to tell him once that I hadn't sent the required card, to know the meaning of accountability.

He helped me negotiate my first “raise” with my first internship. He also helped me learn what kind of business person I want to be not by telling me what I wanted to hear (yes, you are fully capable and prepared to conquer the world...isn't every 23-year-old?), but what I needed to hear (yes, it sounds like a long time, but you need to spend two years with this company to get the experience and pay you want). Mostly though, I was open to his feedback, respected his experience and did my

best to bring his knowledge into my life and be accountable to that.

The Mentor Board

Mentors are also able to offer a trusted person to bounce off ideas. Recently, I worked with a family business that was looking into an employee bonus structure and fortunately, they had a Board of Advisors to help them through the process. On that board was a friend of the founder who was also mentoring the successor. That board member/mentor was able to ask the right questions in the best way to flesh out the successor's idea to the point that the founder was satisfied and felt comfortable with the bonus plan. In this way the mentor/mentee relationship offered a filter (mentor: “How will this program work really?”), an accountability mechanism (mentor: “I want to see a cost-benefit analysis in a week.”) and an experienced sounding board (mentor: “When we instituted a similar program, it worked this way and had this kind of impact — is this what you're envisioning?”)

The benefits of mentorship are many but how does one find a mentor? First of all — ask. Pay attention to those around you and your family's business. Look for someone in a non-competing industry who you (and ideally your founder/parents) respect and ask them for a coffee/lunch. Then tell them you're seeking a mentor to help you become a better, more astute business person. Ask if they have time to spend 20 – 30 minutes with you once or twice a month to discuss life and business. The worst they can say is no. So, then you ask someone else...

My ideal qualities in a mentor include:

- Self aware and articulate;
- Active listener;
- Highly accountable;
- Available/able to set aside time to mentor;
- An entrepreneur (not necessarily family business but that helps);
- From a non-competing industry;
- More senior level experience; and
- Direct and honest.

According to John Ward and Craig Aronoff, in their book, *Preparing Successors for Leadership*, “Mentors, consultants, outside directors — any trusted and qualified outsider — is almost invariably a more effective teacher to the successor (than the parent).” For many founders and successors, a trusted and competent mentor can be the “glue” that not only helps to continue to bind the founder/successor relationship, but also holds together the entire succession by bringing accountability, support, experience and an objective point of view.

Erin Rayner is president of ED Marketing and Communications Inc. in Edmonton, AB and a CAFE-certified family council facilitator.

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What Really is Important

By Lawrence Barns, CEO, CAFE

For many years now I have been speaking about how I live my life gloriously out of balance. What I mean by that is I try to be 100 per cent present wherever I am, whatever conversation I am having. Knowing that life isn't an easy equation leads to balance over a longer period, if not every day. But as a result, I am always looking for ways to refine my thinking and I want to share one that is deeply changing the way I look at my time and priorities.

Maybe you have read *The Last Lecture* by Randy Pausch or maybe you have viewed the lecture in question via www.thelastlecture.com; if you haven't, let me give you some insight. The basic story is that Randy married later than most, had three young children and was diagnosed with terminal cancer. As a professor he was used to the idea of a last lecture — apparently this is a regular thing professors do — a lecture of what they have learned in life, given as if they are already dead.

Randy gave a lecture that ran for 76 minutes; the theme was about achieving your childhood dreams. By his own admission he didn't want to talk about cancer, his family or a deathbed conversation. "Although I did have a deathbed conversation, I just bought a Mac!"

I have to admit I had seen the book a number of times in Costco and knew a little of his story from news shows. A month or so ago, I finally shelled out the grand sum of \$14 plus tax to read his thoughts. I was immediately struck by

how approachable the writing was and yet the depth of insight was incredible.

With a clarity that an impending death would, of course, give, Randy looks at his influences and life experiences. The book takes the lecture and adds even more depth and some current experiences to the lecture. The story of how he used his cancer to get off a speeding ticket is priceless! The book was published in spring 2008 and Randy eventually lost his battle with cancer in late July.

One story to whet your appetite to go grab this learning that is freely available (personally I would buy the book, because you can scribble notes, underline and pick it up from time to time): Randy came home to a meal one day that had all his favourites and he sensed his wife being extra attentive. He knew something was up, she eventually told him she had reversed her van into his convertible parked on the drive.

He examined the damage, worse on his car than the van and asked if she was all

right. The two cars were never taken to have repairs. Randy was brought up to see them as a tool to get from A to B. A ding or two didn't get in the way of that role and hence could be left.

A while back a falling tree limb hit my car as I drove home from work. If you see me driving it I can show you the scars my car carries. I wasn't hurt, I didn't hit anyone and my car still gets me from A to B very nicely, thank you! A little bit of wisdom that Randy Pausch was kind enough to share with me before his death helped me to save some money and a whole lot of stress. Thanks, Randy.

If you visit the website you can also see Randy's lecture at the University of Virginia on time management, a follow-on to his last lecture as he used the final year of his life to leave a mark far broader than he would ever of imagined.

One last point for those of you who don't like to read, never find time to read or haven't finished a book in longer than you care to admit, unless you never watch an hour's TV or a movie there is really no excuse to not access Randy's lecture on the web. After all, how many times have you let an hour slip away with no real long term value? Do it soon, I promise you it's worth the time you will spend on it.



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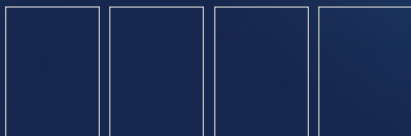
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