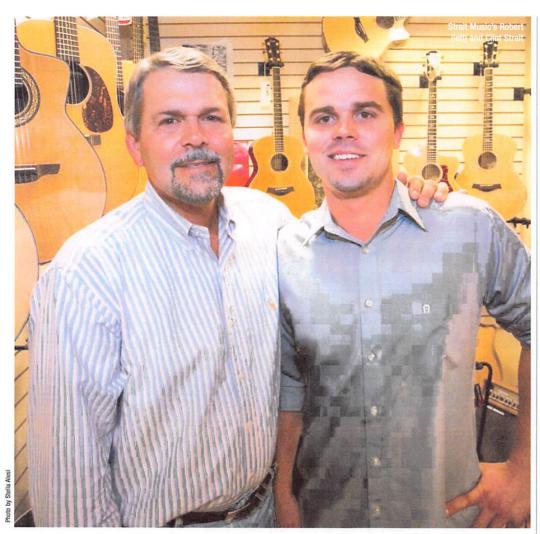




{FAMILYBUSINESS}



What's happening in today's family-owned and -operated music stores? Is wisdom being handed down from one generation to the next, or has nepotism run amok? How excited is the next generation about the business? And just how well is everyone getting along?

Most of the dads we interviewed inherited the business from their dads and were somewhere along a path to succession by their kids. The parents were generally concerned about their legacies, nostalgic for the good-old days and genuinely excited about working with their children.

"Once kids grow up and go off on their own, I think you do anything you can to spend time with them," said Jim Foster of Foster Family Music in Davenport, Iowa. "We get to work with our kids every day. That's pretty cool."

On the flip side, the kids recognized the significance of their family legacies but were focused on the future. And they genuinely liked working with their parents.

"He's one of the best businessmen I've ever seen," said Christi Foster, Jim's daughter, who describes her role at the company simply as "to keep the family business going."

THE WONDER YEARS

When they talked about their early experiences, the generations often echoed each other. They all started working in their fathers' stores

'I think a lot of our most productive business conversations take place over dinner.'

— Clint Strait

at a very young age. They cleaned, polished and did piece work. As teenagers, they made a lot of deliveries. Ron Carlson of Carlson's Piano World in Minneapolis and Carlson Music Center in Alexandria, Minn., said he remembers making a delivery with his dad

in their Econoline truck, which had the motor between the driver and passenger seats.

"He was sitting on the engine cover teaching me to drive a three-speed with a clutch when a highway patrolman saw us and gave dad a ticket for letting me drive without a license," Carlson said. "As silly as it sounds, I have great memories of going on deliveries with him."

Todd Heid, now president of Heid Music in Appleton, Wis., started in the mailroom but got put on the road early. "When I had my [drivers] license for maybe a month, Dad put me in a Suburban and had me go all the way up [to Michigan's Upper Peninsula] to deliver and pick up the summer repairs. I couldn't see out the rearview mirror. If I had hit the brakes, I would have been decapitated by a bassoon."

We didn't find anyone who had ever been paid to be the boss' kid. Each of our subjects could easily find work elsewhere, and most had. The younger generation often explored careers outside the music business before joining their families in a capacity beyond polishing horns, building benches or taking out the trash - although they had all done those jobs. They mentioned their work experience helping them better appreciate working with their families and bringing a higher level of professionalism to the relationships.

In Boston, M. Steinert & Sons' Brendan Murphy, the fourth generation, sold educational tours after college. "You get over your fear of rejection," he said of the job. "That certainly helped me."

Clint Strait, the third generation at Strait Music of Austin, Texas, had a similar experience working in outside sales for

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DHL. College internships made Peter Sides, the third generation at Robert M. Sides Family Music Center in Williamsport, Pa., aware of "the shortcoming of the layers of management" in large corporations.

Ron Carlson, whose father, Sid, founded Carlson Music Center, said he wanted to seek his future elsewhere after growing up in a small town and in a family business. "After I graduated from high school, I didn't really want anything to do with the music business, and the last thing I wanted to do was go into business with my dad," he said.

But after graduating from college, selling suits at Montgomery Ward, driving an ambulance in Topeka and living in Florida, Carlson returned to Minnesota having learned skills that would pay off when he joined Carlson Music at the age of 28. Like so many of us, he was on straight commission, and his training consisted of observing others and figuring things out on his own.

Outside experience isn't the only path to success, though. Paul Heid only left Appleton long enough to get a degree in finance at Marquette University. "I don't think it is chiseled in granite anywhere," he said of kids needing outside experience.

Todd Heid agreed. "At one time or another, I worked with every employee on the floor. They saw that I was never afraid to get dirty. That was a pretty good way to work up through the company."

ONE DAY AT A TIME

he process of merging the next generation with current employees reflects the company's culture. As an apprentice, Paul Murphy reported to the shop foreman. "The guys in the shop viewed | early on that the other employ-



me with some suspicion," he said. "They were old timers and probably thought I was a spy. But all of these people were very helpful."

The experience was different for his son, Brendan. "I work with a salesperson who was here when I was born," Brendan said. "I think we have a more informal relationship because she's known me all my life."

"I don't think it was as apparent then as it is in hindsight, but the other employees did treat me differently," Paul Heid said. "And I was working as hard as or harder than anyone. But, it was my name on the front door."

Todd Heid said he noticed

ees would "throw ideas" at him, but he downplayed his family connection with peers and customers. "My name tag just said 'Todd."

When Robert Strait joined the business, he said "a few employees felt a little awkward dealing with the boss' kid at first, but everyone adapted and it's worked out quite nicely."

"Did we have a sort of silver spoon?" said Dennis Saphir, sixth-generation piano technician and owner of Kurt Saphir Pianos in Wilmette, Ill. "I would say 'yes."

Many dads have found it best to have their kids report to someone else, at least for their came into the business, my oldest daughter, Kim, came to me and said, 'Dad, Todd's going to work for me," Paul Heid said. "I never thought about it at the time, but I guess it's the same thing my dad did when I started. He had me report to his partner, Buck Jensen."

The approach to training can change from one generation to the next. Today, most dads take a more analytical approach with their successors. "My early tuning experience was on the worst pianos available," Saphir said. "I asked my dad, 'Why am I doing this?' He said, 'If you can tune these, you can tune anything.' I recognize now that he knew exactly what he was talking about."

Still, he was frustrated. "I began to wonder if there was an easier way to make a living." But there was another side to the relationship that became apparent only in retrospect. "As a rookie out in the field, when I would run into a problem, I had the luxury of calling and saying, 'Dad, I don't know how to do this,' and he would be there in record time, and I knew he was always there for me to count on. He could have sent one of the other technicians. but he never would."

Saphir changed his approach with his own son. "I'm not going to make it as difficult for Dan as it was for me. I exposed him to better instruments right from the start."

Ultimately, each generation has to find its way. Pete Sides' son, Peter, spent several years on the front line before deciding his real love was back office duties. His sister, Alysha, handled marketing before deciding her real love was selling.

"I think it had something to do with selling a big piano, maybe a Steinway, and seeing first assignments. "When Todd | a [big] commission check,"

Peter said. "We've come to realize that my sister and I are a pretty good team."

Jim Foster has been on both sides of this family business dilemma. "When my partner brought his son into the business, I trained him, and it changed the way I looked at things because I had expected to buy the rest of the company," he said.

While Jim went on to build his own successful business, the one he left behind languished for years before finally closing.

FAMILY TIES

ommunication between the generations is critical but can be a delicate balancing act. "When I brought my kids in, I wish I had been more hands-off in the beginning," Pete Sides said. "The thing that I did the best was to pull out and let them make their own decisions. You have to make a conscious effort to listen in a way you might not for other people."

Ron and Sid Carlson had to work a little harder for harmony. "Dad and I had completely opposite beliefs," Ron said. "So, we sometimes clashed. I always thought if I could make the customer happy, I would be happy, and I wasn't concerned about what it took. We used to fight like crazy because I kept lowering prices to sell more units."

When it comes to balancing business and family, there's no consensus on whether shop talk away from the shop is taboo. The Murphy family avoids piano talk at family gatherings, but Clint Strait said, "I think a lot of our most productive business conversations take place over dinner." When asked how he balances business and family, Bob Zenoni at Uncle Bob's Music in Milwaukee said he and his brothers, Dennis and Michael, play cards to break away.

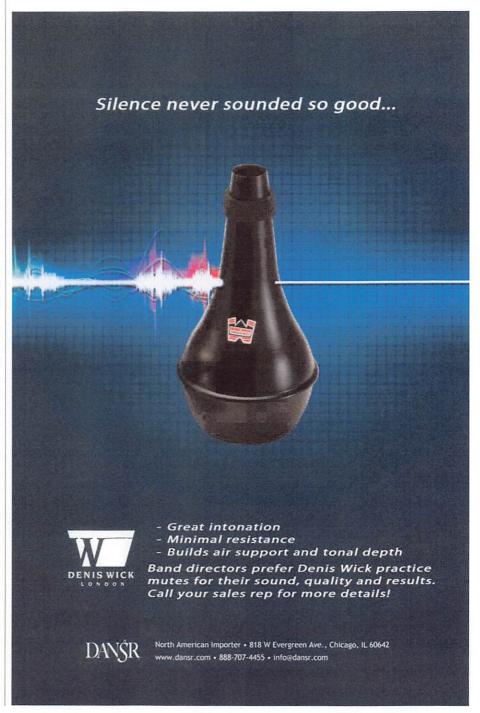
"I'm not sure there is a line, and if there is, I'm not sure how or where to draw it," Paul Heid said. "You have to bear in mind that there are a whole bunch of people involved. It isn't just you and your son or daughter. All of the extended family is affected — your wife, in-laws, other siblings, and even nieces and nephews who maybe should have been involved in the business."

Robert Strait has three brothers and sisters, but his father's CPA advised, "You have to have someone in control of the business. Otherwise, you can't get anything done."

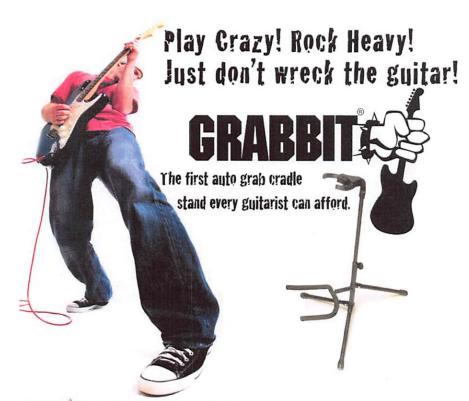
What causes dads to want to bring their kids into the business, and more importantly, what causes the kids to join? Both realize spending their formative years in a music store gives the family a comparative advantage over competitors because the kids develop strong business instincts that can only be learned over time.

"Paul took [my grandfather's business] philosophy and expanded it at all levels," Todd Heid said of his father. "He took the family business and grew [it]."

For many parents, handing over the reins is akin to trusting someone with their baby. Who better to trust than your own child, who reflects your own values, dedication and work ethic? Saphir said he



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knew his father was serious about turning the business over to him when he "made me an offer I couldn't refuse." And Jim Foster said, "Christi has passion for our company and continuing to support music education and our community. She isn't doing this because it is a way to make an easy buck."

Some successful families, such as the Zenonis, have decided to not bring their kids into the business. "I just don't see a future like the one my brothers and I had 40 years ago," Zenoni said. "I see my friends struggling, frustrated and going out of business."

But carrying on a legacy can still be the driving force. "After he completed his undergraduate work, my son decided that it was necessary to keep the tradition and become the seventh generation," Saphir said with a hint of pride. "He said, 'Teach me what you know, train me, and I'm here for good."

ALL IN THE FAMILY

rendan Murphy said he's very proud his family is celebrating its 150th year in business. "It's great to show customers a picture on the wall that was taken in 1901 and say, 'That's my grandfather."

"My grandfather didn't live to know me, but my

dad made a comment about how nice it would have been for him to see me and now my son in the business," Saphir said. "You can tell that my dad is really proud."

"I feel great about bringing my kids into the business," Paul Heid said. "What's greater for a dad than to have his kids and grandkids not only in the same town but to work in the business their grandfather started? Plus, they're talented people, and I love them. We lost my dad 90 days ago, and if he ever took pride in the fact that we were in the third generation, it didn't come through to me, but I think he was. And I've learned to make sure I tell my kids how lucky I feel to have them working with me."

It's obvious this generation faces challenges its parents could have never imagined. "In today's economy, being in business isn't exactly a walk in the park," Carlson said. "There is no guarantee customers are going to continue to come in, and I'm reluctant to put my kids in a situation where they have all that pressure. But on the other hand, maybe they can take the business and build on what I've done the same way I expanded what my dad started."

It's also harder than ever for businesses to find good employees and for

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employees to find good businesses. Seeing children succeed, both inside and outside the music store, gives parents insight into their children's merit. Having watched their parents be the boss offers kids a perspective that any potential employee would love to have before accepting a job. Nearly every kid we interviewed took great pride in their parents and their company's long-term employees.

Equitable partnerships between fathers and their kids require mutual respect, clear lines of authority and open communication. "Christi's the boss," Jim Foster said. "The reason I'm still here is because she wants me here. If I got hit by a truck on my way home tonight, I think Christi would do OK."

Ron Carlson said his son Matt "plays a big role in a lot of the things we do at the store."

Of his father, Paul Murphy said, "He was a lot more than a father. He was a partner, and he was a friend." Murphy was also enthusiastic when talking about his son "He is a much more effective salesman than I was."

Zenoni summed up his family's key to longevity in business: "We three brothers get along really good, and my dad was one in a million."

These family businesses are much more significant than any Hollywood stereotype or politician's cliché. These are hardworking, sincere, happy people for whom the distinctions between job, family and community have become hopelessly blurred. They aren't counting

'You have to make a conscious effort to listen [to family] in a way you might not for other people.' – Pete Sides

their work hours, their savings or their number of days until retirement. They don't have a job — they have a life. A life's tapestry woven of relationships with their parents, siblings, children, customers, vendors and communities.

When asked if he ever had second thoughts about coming into the family business, Paul Murphy wryly said, "All the time!" Paul Heid was more reflective. "When you're in your 50s, at the peak of your game, you play mind games like, 'What else could I have done?" But I've never had a regret."

While the rewards of being the parent or kid in a successful family business include financial security and being part of a legacy, it's the intangibles that appear most valued. Brendan Murphy captured the sentiments of all the families interviewed when he spoke of the rewards. "I get to hang out with my uncle and my dad a lot, which is kind of cool. It's a good thing." MI



