

THE MACKLIN BUSINESS INSTITUTE AND CENTER FOR ENTREPRENEURSHIP AT MONTGOMERY COLLEGE



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Tales From The Family Business

Family businesses and their operating trends were the focus of the most recent symposium in a series sponsored by Montgomery College's Macklin Business Institute and its Center for Entrepreneurship.

Stories from the owners of a 70-year-old family business contrasted with newer business models, in which the family selectively seeks economic opportunities, builds a business, creates substantial added value, and seeks a timely exit from the business altogether. The symposium also covered complex technical issues, including re-capitalizing a family-owned company to incorporate succession into the business plan.

Family businesses have held an important part of world economics together. Whether in Rockville, Md., or Kathmandu, Nepal, businesses owned and managed by families represent more than 90 percent of all businesses worldwide. Historically, immigrants entering a new country have survived and created wealth through family-owned and managed businesses.

One such family, the Hersons of the Manhattan Auto Dealerships, grew over generations by branding their family name into a retail/service business with a multi-million-dollar revenue stream.

Joe Herson told of his family's expanding and operating five car dealerships, which generated \$200 million in annual revenue and sold 2,800 new cars in its last operating year. He shared experiences dealing with banking institutions and selling the business after losing financial credit through the death of the family's principal business driver.

Drew Greenblatt detailed his experience buying Marlin Steel Wire Products in 1998 after successfully selling Lifewatch Burglar Alarm Company, a business he bought in 1991 and sold in 1995. He explained how to "kick the tires" before closing the deal, how to create total commitment through family ownership, and why every business needs a savvy board of advisers.

James E. McNair, a wealth preservation specialist with the law firm Patton Boggs LLP, covered estate planning for the many accounting/business students and business owners attending. He was followed by Lee C. Russell, from the accounting firm Ernst & Young, who discussed valuating a privately held company, benchmarking private value from public firms; and private firms' financial information tools, key customers, and inability to rely on publicly traded stock prices.

Panel presentations concluded with J. Chris Martens discussing "soft" issues within the dynamics of family business succession and his eight key steps in a family audit and real world "clash of cultures" scenarios.

For more information, contact the Macklin Business Institute's Center for Entrepreneurship by calling 301-279-5133 or directing e-mail to: kdroubi@mc.cc.md.us.

The New Recruits



Nineteen new students are hard at work in the Macklin Business Institute's honors program for top, sophomore-level business majors at Montgomery College. Now in its third year, the program is designed to nurture students whose goal it is to transfer to a baccalaureate program in business after completion of their two years at Montgomery College. Pictured along with the students in the 2001-02 Macklin class are, in the front center, from left to right, Jeffrey Schwartz, director of the Macklin Business Institute, Gordon Macklin, the institute's founder and benefactor; and Jerry Feigen, director of the Macklin Business Institute's Center for Entrepreneurship.

MC-Germantown to Host Workshop on Business

Local business leaders are invited to attend an upcoming presentation at Montgomery College's Germantown Campus by Fred Harmon, founder of Synthesis Counseling, and author of "Business 2010: Five Forces that Will Reshape Business and How to Make Them Work for You."

Co-sponsored by the college and the Gaithersburg-Germantown Chamber of Commerce, the program will take place on Tuesday, Nov. 27, from 5:30 p.m. to 7 p.m. in Globe Hall of the

Germantown Campus's High Technology and Science Center. On site registration, light refreshments and book signing will begin at 4:30 p.m. and resume after the symposium until 7:30 p.m. The campus is located at 20200 Observation Drive, just off Route 118.

Harmon, a former business leader and Wall Street Journal staff writer, will share his theories on how technology extends people's capacity and converts physical energy; how freedom multiplies peo-

ple's potential; how education expands workers skills; how demographics affect traditional employee-customer relations; and how globalization opens new markets.

Registration for Harmon's presentation is \$25 for chamber members and \$35 for non-members. RSVP to the Gaithersburg-Germantown Chamber at 301-840-1400 by Wednesday, Nov. 21, or e-mail info@ggchamber.org. Online registration is available at www.ggchamber.org.

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