



THOUGHT LEADERS

FAMILY BUSINESS

Defining rules of engagement challenges leaders of family businesses



BOTH PHOTOS: JIM COURTNEY

Holly Anderson, co-owner of Anderson's Inc., shares insights about her family's business with Steven Rott, left, and Bill Palisano. The three executives and Anthony J. Picone, below, of Picone Construction discussed the challenge of running family-owned companies.

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Leaving work at work can be a challenge for some people.

When you work with the same people you see at home and family functions, it's a lot more difficult.

But panelists who spoke at a Thought Leaders discussion on family business, held May 10 at the Buffalo office of Hodgson Russ LLP, agreed that having some sort of plan in place is essential to maintaining family/work dynamics.

And when work get tense, to preserve everyone's sanity.

On hand for the discussion were Hodgson Russ partners Kenneth Friedman and Catherine Eberl and Anderson's restaurant co-owner Holly Anderson.

Also, Lincoln Archives Inc. President Bill Palisano, Picone Construction President Anthony J. Picone and William C. Rott & Sons Inc. General Manager Steven Rott.

Palisano is the fourth generation of ownership at Lincoln Archives, part of the family's stable of companies that includes Lincoln Moving & Storage, Lincoln Self Storage and Lincoln Warehousing Co.

He said his father used to stop him



with HOLLY ANDERSON, BILL PALISANO, ANTHONY J. PICONE and STEVEN ROTT

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“Even on your own decisions, I have to ask myself: Am I taking the role of an aunt, am I taking the role of a sister or am I taking the role of CEO of Anderson’s?”

HOLLY ANDERSON,
co-owner, Anderson’s



“I was the boss’ son. I had to work harder or else I’d get made fun of by the other guys.”

ANTHONY J. PICONE,
president,
Picone Construction



“If they want to come back to the business they may, but they’re going to have to earn it. None of the kids (in the family) is a shoo-in for vice president.”

BILL PALISANO,
president,
Lincoln Archives Inc.,
LACyber



“Statistically, most businesses don’t last multiple generations. To be able to last a long time is pretty impressive.”

KENNETH FRIEDMAN,
partner, Hodgson Russ LLP



“I got into this because I enjoy what we do. It may cost more, but it’s worth it because the work was done right.”

STEVEN ROTT,
general manager,
William C. Rott & Sons Inc.

in his youth when Palisano tried to talk shop at home, and he does the same thing with his own children.

“You’re a brother. You might be an uncle. You might be a father. But you have to separate those,” he said. “I’m your dad here at home, not your boss.”

Picone enforces similar rules away from the business. The fourth generation of the family to run that business, he recently semi-retired after more than half a century in the industry.

His wife worked in the business for 26 years but he said they never discussed work outside the office. His sons, Anthony C. and Christopher, learned that from him, he said.

They also learned how to work their way up in the company, a trait in family-run operations that he said can be lacking.

“When I graduated college, I showed my dad my diploma and he said, ‘Leave that at home tomorrow. Here’s a shovel.’ When you see families with superiors who drive fancy cars and live in fancy houses and all that, it’s not automatic. You have to work at it,” he said.

Anderson and her brother Keith had to work hard to continue their parents’ business legacy. Carl and Greta Anderson opened the family’s first ice cream stand.

“Entitlement is not an option. You have to work. Nobody is going to sit in the office and just pretend,” she said.

Most of her children are grown now and “get paid more than I do”



JIM COURTNEY

Steven Rott makes a point while Bill Palisano looks on during a discussion that took place at Hodgson Russ LLP.

in other career fields, Anderson said, but a few have shown some interest in taking over the business.

She and other family members have been working on a succession plan and how to divide assets, which at times requires difficult but necessary conversations.

Similar conversations have taken place at William C. Rott & Sons, which Rott runs with two brothers. The fourth-generation business has allowed natural selection to dictate who takes over the business: Two of his sisters chose not to be in it. Now he is allowing his children to make their own decision.

But everyone with a stake has to be on the same page, he said.

“It’s still not easy but we are committed to each other,” he said.

That doesn’t mean work stays at the office for the Rotts, though. Every family member has different responsibilities, so family gatherings may be the only time they actually see each other.

“It’s kind of fun for us,” he said about discussing work, which for the Rotts involves specialty contracting. “We like what we do. It’s not like work. We like to figure things out.”

Friedman said the survival rate of family-owned businesses drops off

► CLOSER LOOK AT THE THOUGHT LEADERS

The Thought Leaders is a yearlong series of discussions with Western New York business leaders and attorneys at Hodgson Russ LLP.

Each month, leaders in diverse industries meet for a roundtable discussion moderated by Business First journalists. Excerpts are published after the roundtable.

The next installment in the series features decision makers discussing governmental consolidation.

Discussions are held in the law firm’s Pearl Street offices in Buffalo.

as subsequent generations take over from the founders.

Engineering a transition from one generation to the next may fracture relationships within the family and challenge the health of the business, he added.

Having things figured out at home, in whatever form works for a given family, helps provide the right perspective and smoother days, the panelists agreed.

“We are a family first before we are business owners. The business helps support the family,” Palisano said. “Say it. If you have to get angry about it, vent. But we all want what’s best for the business.”

Said Picone: “Our strength is in the three Picones who run Picone Construction. When we’re gone, there is no more Picone Construction.”