Taking the reins of a family business

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Introductions

- Name
- Winery
- What brought you here today?

Two main challenges

- Communication
- Financial results
- Communicating financial results

"The single biggest problem in communication is the illusion that it has taken place."

-George Bernard Shaw

Understand different styles

People communicate differently.

Science of Communication

DISC

"Universal observable language of behavior"

The Universal Language DISC, Target Training International, LTD, 2004

DISC

- •Categorizes how we act
- Language that is:
 - Observable
 - Neutral
 - Silent
 - Universal

DISC

- Dominance
- Influencing
- Steadiness
- Compliance

DISC Observable behaviors

High "D" Buy-in Characteristics

- 18% of U.S. population
- Buys New, products
- Typically, entrepreneur with many interests, doesn't like to waste time, has a fairly high ego, interested in new products and innovation.

How to spot

- Office status conscious, large desk, efficiency
- Pictures them with a famous person
- Reads Executive summaries
- Magazines Fortune, Forbes, Money

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High "D" Buy-in Characteristics (continued)

- Typical Presentation required:
 - >Quickly get to the bottom line
 - >You must appear credible
 - >Be concise and business like
 - > Difficult to switch, but once switched is loyal
 - >Solve problems fast and make the sale

Looking for RESULTS

High "I" Buy-in Characteristics

- 28% of U.S. population
- Buys Showy products
- Typically, friendly people-oriented, glad to see you, and likes to try new innovative products.

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How to spot

- Office contemporary, memorabilia of experiences
- Pictures travel, trips
- Reads- Fiction, self improvement books
- Magazines People, psychology today

High "I" Buy-in Characteristics (continued)

- Typical Presentation required:
 - > Spare the details, give plenty of follow-up
 - > Present new, innovative products
 - > Allow time for socializing
 - >Have fun, tell stories
 - >Eliminate detail, just hit the high points.

Looking for EXPERIENCE

High "S" Buy-in Characteristics

- 40% of U.S. population
- Buys Traditional products
- May be shy but wants to be your friend, is slow to make changes, needs to trust salesperson, family oriented.

How to spot

- Office family snapshots, homey
- Pictures family
- Reads- People stories, fiction and non-fiction
- Magazines Readers digest, national geographic

High "S" Buy-in Characteristics (continued)

- Typical Presentation required:
 - > Need lots of proof and statistics
 - > Take it slow and easy
 - > Earn their trust and friendship
 - >Use Facts & Figures, repeat visits, answer all their questions.

Looking for SECURITY

High "C" Buy-in Characteristics

- Buys proven products
- Typically, may be suspicious, does not make changes readily, not too talkative, and is not an innovator.

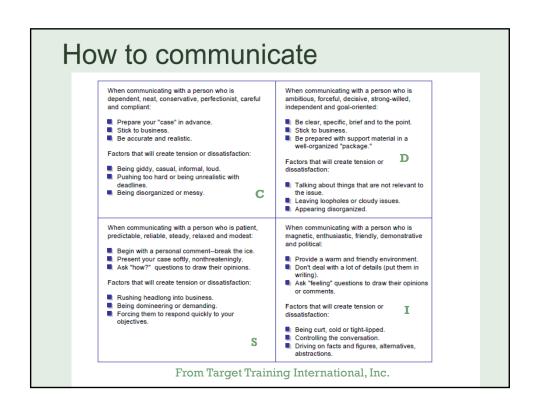
How to spot

- Office graphs, charts, functional
- Pictures
- Reads- Nonfiction, technical journals
- Magazines Consumer reports

High "C" Buy-in Characteristics (continued)

- Typical Presentation required:
 - Need lots of "Proof", background & proven results
 - > Needs time to absorb and digest facts
 - >Use plenty of testimonials (from "C" style)
 - >Don't rush, be on point, and answer all their questions.

Looking for INFORMATION



Tools for each style

- High D one page dashboard, lots of visuals.
- High I personal meeting to go over the highlights of results. Follow up with email.
- High S Logical steps, in a spreadsheet with summary information and details available.
- High C Detailed tables with drill-downs and citations.

Get it in writing

- Goals
- Budgets
- Cash Flow forecast
- Grape contracts

Understanding the business

Why can't everyone just do their job?

Is it a people or a process issue?

Basics of Winery Accounting

- Capital intensive
- Cash flow limited
- Variety of businesses within one business
- Long investment cycle
- Complicated

Different business models

Business Model	Income Statement	Balance Sheet	Cash Flow
Vineyard, Production, Sales	Highest Margins	Heavy Asset investment (land, equipment)	Negative in early years
Production, Sales	High Margin	Medium Asset investment (equipment)	More steady
Sales	Lower Margins	Light Asset investment (bottled inventory)	Positive cash flow early

Financial information

- Three main financial statements
- Where the trouble happens
- How to spot it
- What to manage

Exercise

How should Junior communicate with:

- Daddy
- Bobby Jean

How should Daddy communicate with:

- Junior
- Bobby Jean
- Momma

What stood out for you?

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