



Helping Family Businesses: The Founding of Transition Consulting Group

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This story of my own journey through transition illustrates how drawing from life's passions can help give birth to a new career.

The world of business always fascinated me. As a youngster I was captivated by my dad's black leather swivel chair with its shiny walnut arms, his desk with its multiple drawers filled with papers and pencils and pens. And then there was the multi line telephone. But the ultimate was the Dictaphone- a recording device my father used to dictate letters to his secretary. Yes, there were secretaries in those days.

World of Free Enterprise

But my baptism to the world of free enterprise occurred at age 10. I had lost my wrist watch and asked my mother to take me to the bank so I could withdraw some of my savings to buy a new one. "No," she replied, "When you lose something like that, you must earn the money to replace it." I remember asking her how I was supposed to do that and she told me that she was confident I would

find a way. I was an avid comic book reader, and noticed that on the back page there was an advertisement for greeting cards. So I sent away for a sales sample kit, recruited my best friend, Albie, to help, and off the two of us went on our bicycles to attack the neighborhood. Door to-door, we sold get well cards, Christmas cards, stationery and address stamps. We soon realized that single family homes were less efficient than apartment houses, so we altered our strategy. My mother introduced me to 3 by 5 index cards to keep track of each customer, the orders placed and paid for coupled with a black ledger book to track cash receipts and accounts receivable. Our success was remarkable, so much so that one evening I received a phone call from Chicago, Illinois. It was the president of General Greeting Card Company telling me I was his most successful salesperson and asking me to come to the company's annual sales meeting to present my strategy. Little did he know that he was talking with a 10 year-old boy. Perhaps my greatest disappointment at the time was when my parents, unable to accompany me, wouldn't let me go alone.

As years passed and I worked summers and school vacations through high school and college in my dad's business doing a variety of jobs, I always knew that this could someday be my career as well. But as a curious young man, I needed to explore other interests. Midway through my graduate studies in Philosophy and now a married man, I realized that I needed to find a career that would afford me the lifestyle I desired. While my bride was finishing her undergraduate studies, I searched for work. I became a substitute teacher in the local high schools and would respond to 5:00am last minute phone calls informing me that I was to spend that day teaching 10th grade English in the local high school. Knowing that would not cover the rent in our apartment, I also thought



I'd try my hand at what I thought I knew best. Since our family's business was wallpaper and wallcovering distribution, I approached a local retail store and offered my services for no salary. I suggested that I would work on commission only for whatever I sold. Naturally, the owner agreed. I also asked to take some sample books home at night and over the weekends. My largest sale was to a local funeral home on a Sunday, but perhaps the most challenging occurred during the week. An elderly woman pulled up in front of the store in an old Oldsmobile and I promptly offered my services to her, bringing out the most expensive samples. My boss pulled me aside telling me she could never afford what I was trying to sell her, and I told him to give me a chance. Sure enough, she made a significant purchase. After the sale was closed, my boss asked me how I knew she could afford such high priced wallpaper. I told him that he saw a little old lady in an old car and I saw a little old lady in a car with a 3 number license plate- a "Connecticut Yankee." And that meant "old money."

As my graduate studies were wrapping up, I decided I wanted to approach my dad for a job. He had started a distribution arm in 1947 to what was originally a chain of retail wallpaper stores that my maternal grandmother started around 1920. After an extensive interview, my dad suggested that I peruse the company's past "blue books." Those were the year-end financial statements. After an appropriate review, I returned to his office and asked if the loans on the company's books "To Officer" were how he put my brother and me through college, me through graduate school and my brother through medical school. He smiled and nodded in the affirmative and I asked him if I could work for him. His instant reply was, "no." He said, "You'll never work for me one day in your life, but you can work with me." And thus was launched a 20 plus year career of joy and challenge working with my dad, my mom, her brother, their first cousin, my grandmother and her second husband. Now that's a family business!

I was empowered at an early age, not just by my dad's instant acceptance of my working with him. After a two year "orientation" to all facets of the business-sales,

operations, warehousing and accounting I was charged with writing a proposal to our largest supplier seeking an expansion of our territory. After much negotiation, which I thoroughly enjoyed, we were awarded the expansion and opened our second distribution center. We hired additional staff and successfully worked our plan. As our accounts receivable and inventory grew, we required modest debt for the first time in many years. Discussions with our banker resulted in an unsecured term loan and a revolving line of credit. When it came time to sign the note, my dad placed it in front of me. Personal guarantees were not required, but my dad wanted me to feel the experience of signing the note, of borrowing money. A week later, the incident became indelible when a replica of the note appeared on my desk. It was a bronze copy mounted on a walnut plaque. My dad suggested that I hang it on the wall above my telephone. He wanted me to never forget the meaning of debt.

I was fully anointed a few years later, at age 35, when we made two acquisitions in rapid succession, instantly doubling our business and making us one of the largest wallcovering distributors in the country. When I returned to my office after the closing of the second acquisition, there was a box of business cards on my desk with the name of the new company, my name and the title "President." My dad felt that since I wanted to grow our business, it was time that I was responsible and held accountable for it as well. Shortly thereafter I became CEO of our entire business-our distribution network, commercial and contract divisions with union and open shops, a designer's showroom and retail stores. With more than 10,000 SKUs in 4 distribution centers and a customer base of more than 6,000, we had 250 employees and were processing 1,800 transactions a day.

While the business continued to grow, my interests started to wander. There were no more acquisitions to be had and the day-to-day operation of the business was not challenging me. My avocation through my business career had been in the field of education. One night a week, I ran a local Hot-Line and Multi-Service Drug Center and, along with our local high school's guidance counselor, taught human relations to juniors and seniors



for 12 years. The combination of business and teaching satisfied my "work/avocation" needs and afforded me the much desired freedom to enjoy my first priority- my family, my wife, our daughter and our son.

In the mid 1980s, the wallcovering industry changed. Consumer consumption decreased so manufacturers responded by producing more SKUs, forcing distributors like us to have more inventory. But less consumption meant reduced turnover and hence decreased profitability. We were not able to control our own destiny and not wishing to be at further risk in an industry in which I was losing confidence, I determined it was time to harvest. Negotiations with a major supplier resulted in the sale of our business. I was the sole stockholder at the time and had my father's complete support and the guidance of trusted advisors and my YPO buddies.

Pivotal Point

So, at age 45, I was at a pivotal point in life, asking myself the inevitable question, "What now?" Knowing that this was a major moment of transition, I met with a friend, a former psychiatrist to Harvard Business School, and told him I needed a sanity check. He asked why and I told him I was selling our family business. He responded that indeed I did need a sanity check and mid-way through our 50 minute session, he gave me powerful words of wisdom. He told me that until I knew where I was going, I'd never be able to let go of where I had been. As our conversation continued we talked about my love of education and teaching and he suggested that I return to graduate school and give myself the opportunity to explore future career options while pursuing graduate studies. Focused on psychology and education, I did research on intergenerational relationships and emerged with a new piece of parchment.

After graduation, a cousin suggested that I explore the world of family business which had recently emerged as a discipline. I contacted the universities in the Greater Boston area and learned that Northeastern University was considering the launch of a Center for Family Business. I was asked to consult to that launch and did so and was

then invited to run the Center and did that for 14 years. Membership reached 75 family businesses and with the support of six professional sponsors we ran monthly breakfast meetings, bi-monthly workshops and forum groups- two for leadership development for the younger generation, one for seniors, one for women and an inter-generational forum all meeting every six weeks. Over those years, every year we produced a net surplus contribution of \$50,000 which went to the Dean's Discretionary Fund. Though my position was that of a staff member, I was treated like faculty and granted one day per week for consulting. Early on I was asked to help a family that was struggling with succession issues, then another, and then another. I was also asked to speak before various organizations, to write monthly columns and to be a resource to other colleges and universities wishing to launch family business centers of their own. My former membership in the Young Presidents' Organization lead to speaking at local and regional chapter meetings and a nine week, thirty-three leg journey speaking to YPO chapters around the world. Consulting requests kept flowing and Transition Consulting Group was off and running. Needless to say, my plate was full.

Ultimate Reward

My ultimate reward occurred several years ago when I returned from a meeting of the Family Firm Institute - the organization that provides life-long learning for professionals serving the field of family enterprise. I knew that younger blood was needed. At the same time, my son, David, was considering a career change. Armed with a Master's degree in Counseling and an MBA plus 20 years of diverse work experience and keen problem solving and communication skills, I knew that David had the technical requisites to work with me. It was the dialogue between us and with our spouses, however, which gave us the assurance we could re-launch Transition Consulting Group as a new corporation- a 50-50 partnership and be the first and possibly the only father-son team consulting to family and closely-held businesses. We achieved exquisite clarity on the relevant partnership issues: stock restrictions, a Shareholders'



Agreement, and understanding of roles and responsibilities, compensation, succession plans and more. We could simply do no less for ourselves than we would advise for our clients.

Today, we work together on almost all our engagements finding that our father-son, dual generation approach allows us to relate to our clients with remarkable acuity. As more than one senior generation client has said to David, "Thank you. From your words I finally understand what my son/daughter has been saying to me." After all, the client hasn't been listening to David for 42 years.

In 2012 we launched an affiliate entity, The Peer Alliance. Drawing on immense forum experience, David and I produce and facilitate forums- intimate learning communities for personal and professional development for members of family businesses. It is often said that when things are going well in a family business, there is no greater joy than working with someone you love and when things are going poorly, working in a family business can be like no other Hell on earth.

For my son and me, in all of our work together with families and closely held businesses, it's about savoring the joy of working with one another to help others to address challenges and opportunities, achieve alignment on personal, family and business goals, learn to communicate effectively, create plans for the succession of leadership and ownership, hold family meetings, design governance structures, and to likewise achieve their success and joy as family members in business together.

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