Case History # 1- Son's College Freshman Year

By Roy Park, Jr.

Specific Scenario

You have graduated from a preparatory school i.e., Lawrenceville, and have taken courses in your senior year that are virtually a repeat of the freshman courses at the college you attend. You are able to maintain a high grade level with minimal effort and in some cases don't even bother to attend the lectures or classes, not realizing this lack of attendance results in demerit points that are deducted from your final grade. In addition, you joined a fraternity, had your own car on campus, and in general, raised hell. As a result of this by the first semester of your sophomore year you are so far behind that you are told by Cornell that you can no longer be enrolled. You feel the shame of busting out of the university where dozens of your friends and your high school classmates from Ithaca as well as Lawrenceville successfully continue their education in your home town. This is also an embarrassment for your father. Your father says that if you are serious about trying to get back into to college, he will try to help you. What conditions must take place for you to work together?

Park Family Resolution

- The first step is to truly regret your mistake and fiercely want to back into college to continue your education. You father must be convinced that you are willing to be serious about that. He must be convinced that you will not embarrass him further.
- Your father must trust your motivation enough to prevail on contacts he has at other universities and be willing to approach them hat in hand on your behalf. Having maintained a streamlined motivated path to success on his own, he is hesitant to stick his neck out for an unknown result, even for his own son.
- To assure my father I was serious I enrolled in two courses in the extension school at Cornell, and worked part-time with his construction crew when not attending classes.
- You must be willing to accept the conditions under which you be given a second chance by the university as well as conditions imposed by your father that will make him feel it will give you a better chance to succeed.
- Those conditions also apply to living in a room alone, avoiding fraternities, restraining your social life, maintaining a strict budget and achieving expected grade level goals.

Case History # 2 – 21st Birthday Letter from Father to Son

By Roy Park, Jr.

Specific Scenario

On your 21st birthday, your father sends you a letter passing on his personal wisdom and business philosophy with his hope that this may be helpful to you as a guide for your future. He points out that as you feel the need to make more and more of your own decisions, if they are right, you will benefit, and if not, you will suffer. He then goes on to write about his suggestions to help you in making day-to-day decisions in the areas of time, health, character, friends, personal finances and planning ahead. What kind of advice do you think a self-made entrepreneur might give in each of these areas?

Park Family Resolution

- Of all the things at your disposal, the most precious is time, he writes. It cannot be purchased and each of us only has a given amount. Making full use of each minute is the most important art that can be mastered. Never waste it since it moves on constantly, move with it or stand still while time marches on.
- To make the most of your time, he says you must remain in good health. No one has yet found a substitute for rejuvenation aside from sleep, rest and hard work. Preserve your health to enjoy the good things in life.
- What you do with your time depends on your character. It is the ability to be right and say no when it is easier to say yes, and to hold to beliefs which are not popular with the crowd and not be swayed by popular acclaim. It is the desire to be self-reliant, to stay on course when the going gets tough, it's the strongest personal thing you own and is based on reason, not emotion.
- You will be judged by your friends and as well by their deeds and the impressions others have of them, he warns. In a free and mobile society, we are drawn to people with similar traits and desires. Friendship cannot be bought and is based on mutual respect and understanding. You will make few deep and lasting friendships and they must sometimes be maintained at personal sacrifice.
- To be self-respecting means to be self-supporting, he says. Freedom comes with responsibility and there are no happy people, rich or poor, who have champagne appetites and beer incomes. On personal finance, live within your income and try to invest 10 percent in things with permanent value such as property, land or securities. Do not go into debt for things once consumed that then have no further value. He advises to keep a comfortable margin between what you own and what you owe.
- The only way, he writes, to make steady, persistent progress is to plan ahead, not day by day, but year by year. Establish goals even into future years to drive home the need for a consistent steady effort needed to achieve them. Do not lay out a program so ambitious it cannot be accomplished and do not take it lightly once the plan is made. The weak point in all plans is to postpone putting the unpleasant part of the plan in effect and to be impatient for the benefit to descend upon you.

Case History # 3 –Father Obtains Duncan Hines Branding

By Roy Park, Jr.

Specific Scenario

When my father began to expand the ad agency he was assigned by his main account which was the Grange League Federation to come up with a name for a food line based on the excess food the farmers had in the Northeast that could be marketed in various grocery supermarkets in the Northeast. He realized he needed a name that would be easy to promote but even better, one that would be recognizable to everyone. At that time the highest ranked person in the food business was Duncan Hines who had a series of guide books covering American restaurants throughout the county. After considering 100s of names, one of his employees came up the perfect one, Duncan Hines. It could be out of reach but my father decided to pursue contact to see what could be done. It was widely known that he had turned down every request to use his name to endorse a product and was almost impossible to see with any business proposition. What would you use to get an introduction to Duncan Hines and convince him to put name on a line of food products?

Park Family Resolution

- Your father was able to get an audience by only going only through a friend of Duncan Hines who he happened to know. He asked his friend to tell Hines he wanted to talk not about making him rich but to honor his name, and make it more meaningful in the home to help upgrade American eating habits.
- As your father entered Hines' hotel room he heard him on the phone with Henry Ford telling him he had no intention of endorsing the Ford cars since he rode in one and it "shook his liver."
- In preparation for the meeting, your father came in with completely finished Duncan Hines labels in full color on dummy cans, cartons and jars to show Hines exactly what the concept looked like.
- He concluded that they were not seeking Hines' personal endorsement, but rather they wanted to name something in his *honor,* and it worked.

Case History # 4 – Father's Strategy to Sell Hines-Park Foods & Duncan Hines Institute

By Roy Park, Jr.

Specific Scenario

You are in your senior year at prep school i.e. Lawrenceville, when Proctor & Gamble approaches your father and offers to buy Hines-Park Foods, and the Duncan Hines Institute, in effect the entire Duncan Hines brand franchise operation along with its guidebooks. P&G had abolished the drudgery in the laundry room and felt it was time to march into the kitchen. Unbeknownst to you, although the Duncan Hines brand name was flourishing, the entire product line was not yet being offset by anticipated revenues. This is not uncommon in a startup business, and it meant your father was receptive to negotiation. At the time the corporate secretary and general manager of the Duncan Hines Institute marketing division owned a fair amount of stock in Hines-Park Foods, and P&G wanted their buyout to be made without any holdout shareholders. Not to be deterred in clearing the path for negotiations my father needed to reach his corporate secretary who was on his way to his honeymoon in Myrtle Beach. So your father called the State Police and told them it was an emergency and asked them to tell his employee to go to the nearest pay phone to call him back. Surviving the shock of being pulled over, the employee complied and told your father he was willing to sell his shares, and the deck was cleared.

Your father told P&G the price he was willing to accept for the entire operation, knowing any negotiation between a small company and a huge corporation involves plenty of lawyers. He knew P&G would go back and forth with exhaustive negotiations until a lower agreement suitable to them was reached. How would you stage the negotiations to give you a chance to win?

Park Family Resolution

- You were surprised when your father told you he was going to take the entire family on one of his few family vacations, and swept you into the Laurentian Mountains in Quebec, Canada after telling P&G he was leaving town and could not be reached.
- Your father did not even tell his secretary where he was going, but said he would check in with her from time to time from various locations and would return for the closing once P&G decided to accept his terms.
- Where your family camped out was a resort completely removed from communications, even room telephones, and every morning your father would walk down to the nearest village to check in with his office via a public phone. In a sense he was truthful in saying he could not be reached.
- You were happy as the days dragged into weeks and fell in with the young crowd at the resort while the numerous phone calls P&G made to your father's secretary were reported back to him verbatim. And true to form the P&G lawyers came up with every twist and turn that a magician could imagine, all of which were crisply handled by his secretary by saying she had no way to communicate any alternative offers to her boss.

- Well into the second month in Canada, your father finally returned from his daily pay phone trip to say that his full terms were going to be accepted without change. During your return to the United States, he pointed out that the terms were tax-free P&G stock, enough to allow him to enter whatever new career he desired.

Case History # 5 – A Son's Early Career Decisions

By Roy Park, Jr.

Specific Scenario

Just before you were to become a graduate student at the Cornell Johnson School you learn that Procter and Gamble has completed the purchase of Hines Park Foods and wants to retain only the best-selling Duncan Hines product which is the cake mix line. P&G did their homework and were not about to run wide-spread food licensing with the money generated by the cake mix. All of the other food licensing arrangements were phased out, and included on the hit list are the Duncan Hines Guidebooks. You were intimately familiar with the contacts and the intensive professional work required to list or unlist restaurants, resorts and places of lodging since you worked for a summer inspecting and recruiting Duncan Hines guide book listings on Cape Cod. Your father was publishing the books and although they had annual sales of half a million dollars it was nothing to P&G. They wanted no part of the work that needed to be done to keep the guidebooks going and the national staff that had be hired and trained to do this.
Your father calls you into his study to explain an opportunity that P&G offered to see if you would have any interest in it. They had given the two of you the opportunity to continue the publication of these books which were at the time the American equivalent to the Michelin Guides in Europe. But for the books to continue to exist, P&G said the Duncan Hines name had to be dropped and changed to a name of your choice. They would give three years to make the transition. Here was the opportunity to hold on to the best guidebooks in the nation and you are even able to come up with an appropriate transition name. Since your middle name is Hampton, which has more class than Roy, you propose to call them Hampton Park *Adventures in Good Eating, Lodging,* etc.
Your father has other fish to fry, so the offer to continue the books is dumped in your lap. How do you feel about becoming America's famous gourmet and the celebrity behind the successful established restaurant and travel guidebooks?

Park Family Resolution

- You think that at the age of 21, the commitment could have replaced a graduate education and required immediate involvement in the massive transfer of a national corporate business into a family operation.
- Taking this on would have meant a consuming commitment to travel and the continued maintenance of a public celebrity status with no chance to pursue another career.
- The recruiting, training and overhead involved in maintaining the national staff of personnel required to carry on the business, address travelers complaints and angry business delistings would be a huge problem in itself.
- You knew this after spending the summer of 1960 in the New England Cape Cod area as an inspector for the Duncan Hines Guidebook, inspecting six to eight restaurants a day, as well as recruiting additional resorts and restaurants and removing the Duncan Hines signs that could assure a death sentence or those who didn't pass.

- Overall, taking on this opportunity would be akin to losing control of all other future aspirations and, in effect, your life.

Case History # 6 -An Employee Dilemma of Obeying Boss or Bosses' Boss

By Roy Park, Jr.

Specific Scenario

Although not a family business story since you are working independently from your father's company before joining him, it's good preparation for what is to come. As in any business, politics plays a role in the advertising agency business, too. When you returned to New York after a year's assignment on the Pan Am account in Miami, Florida you were reassigned to an account that had literally been created by the Chairman of the Board of the J. Walter Thompson Co. and as the account executive on the Institute of Life Insurance you found yourself frequently reporting directly to him. This was pretty high up in the pecking order for you in a company with 3,000 employees occupying 11 floors under one roof, and the day came when you had picked up reels for your latest commercials and happened to get on the same elevator as Chairman Strouse. As the doors closed on the crowded elevator you heard from the back his distinctive voice asking "Those wouldn't happen to be the reels of our Institute commercials, would they?" You knew instantly he would suggest you set up the screening room so everyone could look at them right away, and he did. As soon as you get back to your office you contacted your account supervisor to tell him what happened, but between the two of you, your management supervisor is nowhere to be found. It is then 2:30 and at 2:45 you receive the first call. Still searching for the missing person, more calls come through at 3:00 and 3:15 and this goes on and by 3:30 you know you can't stall the Chairman any longer and the two of you screen the commercials with him.

At 4:30 your missing supervisor arrives back at the agency and he is not happy. The next day he dismisses you from the account and you are moved to the 14th floor, the research floor with extra office space used for "people in transition." At Thompson, anyone who was being let go is always provided with an office and plenty of time to look for another job. You thought about going to Chairman Strouse to explain the situation but held off. The wood-paneled corner office you are assigned with its eighteen foot paneled ceiling even had its own bathroom and most of the people at the agency thought you had been promoted.

As the weeks roll by, you have a number of successful interviews with other agencies such as Grey and BBD&O, but decisions to hire at your level depended on openings and there were no quick promises of a job. But it didn't take long for the JWT creative director to hire you releasing a statement saying since everybody knows you through your review board and research assignments, he has asked you to join him in various aspects of the administration of the department and knows you will carry out your duties with your customary effectiveness and good spirit. You are assigned to handle the Creative Forum Papers and to coordinate the corporate luncheon speakers program. Then in the next few months you are stolen by the personnel department and named a personnel group head. The head of the JWT personnel department wrote: "because of certain characteristics one finds in good intelligence men and we discovered you could handle this assignment in addition to you other duties" and he put you in charge of a sophisticated new national program directed at recruiting senior managers and top-

graded people. In that capacity you begin bringing into the agency extremely high profile talent Your career suddenly has expanded in new management areas and it is about to get even better.

In 1969, J. Walter Thompson was about to go public and the RCA account was mentioned in every press release as one of three huge corporations the agency handled. The last thing JWT needed was to lose RCA before it went public, and the account was on the ropes. To save it they brought in a former top manager from another agency who had worked with RCA in the past and began recruiting key people in the agency to save the account. You are asked to join that team. What lessons did you learn from your near escape from being let go from the J. Walter Thompson Company.

Park Family Resolution

- In a choice between upsetting two senior people, one your boss, the other your boss's boss, you choose to pacify the titular head but still face severe consequences. You learn this lesson that unpreventable political consequences are rampant in every business and disasters can happen, even not of your own making.
- You think if you had held off and upset the Chairman of the company, you may have lost your assignment on the account, but not your job. But nothing is certain, because your boss would still have shown up after taking an extended lunch and had he participated, would have shown the consequences of that lunch were more liquid than solid.
- You take your punishment calmly and go about the business of trying to find another job, only remotely hoping that the prior reputation you may have established could still pay off within the company. It did.
- You learn that one of the most important lessons in succeeding in business is simply having the patience to have the luck of being in the right place at the right time.

Case History # 7 -Successor Investment Opportunity Arises

By Roy Park, Jr.

Specific Scenario

At the age of 51, in 1961, your father bought his first two broadcasting stations in Greenville, North Carolina. The following year he added a television station to his AM/FM radios in the same market and boasted that the three facilities covered eastern North Carolina "from the capitol to the coast." This was followed in rapid succession by eleven more radio and television stations in the next six years taking him to 1969 when he received an interesting call. A PhD in engineering physics at Cornell in Ithaca, the visionary Robert Author Moog, had invented the first modular synthesizer in nearby Trumansburg, NY and had just received a patent for his invention that year. He was ready for expansion and offered your father the opportunity to invest in his venture.

You are working at the world's largest advertising agency in New York City at the time your father told you about it and asks what you think. You certainly know the part that music plays in television and radio ads but cannot begin to imagine the breakthrough role electronic music will play in the future. It was this synthesizer that would be used by The Beatles, Donna Summer and in Michael Jackson's *Thriller*. Your father asks for your opinion and leaves it up to you. What would you have said?

Park Family Resolution

- You remember what one of the great advertising men in your business told you when you discussed the opportunity "Stick with what you know."
- So having a job you enjoy and one in which you are successful, and not being that familiar with electronic music, you tell your father you have no particular interest in getting involved should he invest in the venture.
- Though the opportunity sounds interesting, this leaves the decision up to your father to make and considering his lack of knowledge in the music field, you feel he will probably pass.

Case History # 8 – Father Offers Son Position to Join Family Business

By Roy Park, Jr.

Specific Scenario

Upon graduation from the Cornell Johnson School with an MBA, you have worked in New York City since 1963 with the largest advertising agency in the world, and were recruited by a smaller creative agency in Charlotte, NC in 1970 as vice president of marketing and account management as well as new business development. The ad agency handles national and several prestigious regional accounts and has a widespread reputation for creativity that promotes its rapid growth. You have an excellent relationship with your clients and your creative partner, who is also a vice president. Suddenly, for the first time, you are offered a job by your father to move back to Ithaca, New York and to work in his family business. The job is defined as being administrative assistant to the president, the president being your father. It is offered as a chance to learn the family business, but you can tell he has concerns about the reactions of his business associates. His rules also included keeping your emotions down, and working long hours in order to earn your own respect. Your mother says it may be your last chance to return to the family. Whether you accept it or not, what reasons would you give either way?

Park Family Resolution

- You tell your father you will think about it since you gathered during the call that your father appeared to be deprecating the job at the same time he offered it, and that both of you felt the job relationship and its ramifications could be a difficult path to set out upon.
- You know that being your father's direct mouthpiece in areas that could be demanding, unpleasant or cause resentment by the recipients could make you a pariah in the company.
- You realize the impossible goal of trying to earn respect as the errand boy for the boss. Doing his bidding without any freedom to do anything on your own would be a dead end, and you suspected your mother may have been behind the offer.
- You accept the job in order to return to the family, or you tell your father you will think about it, which is what you did.

Case History # 9 -Father's 2nd Offer to Son to Join Family Business

By Roy Park, Jr.

Specific Scenario

You are successfully working on your own with a small, but very successful and growing advertising agency in Charlotte, NC, and you have great rapport with your partner and employees. You turned down an earlier request from your father to join the family business because you viewed the job he offered as demeaning, and in fact a demotion from the career you had built over the last seven years. You are happy in the progress you were making in the job you currently hold.

Then a second call comes from your father, this time offering you a chance to run one of his divisions, not to work for him in a dead end job as his assistant. The job is to be general manager of his Outdoor billboard division, not just a member of his staff. The offer is actually the same or a reduction to everything you already have: annual raises, a company car, paid life and medical insurance. If you take the job you will have to pay for your insurance and are restricted for a year on buying a house. In Charlotte, you already have a house along with the tax deduction that accompanies the mortgage. Several other restrictions and warnings include remaining remote from your mother, and not being considered for a raise until after a full year.

On learning of this second offer, that agency's owner and your creative partner offer you increased incentives to remain with the ad agency because of your established reputation and success. Your creative partner even proposes that the two of you split off from the agency and start a new one under joint ownership in Atlanta, Georgia, taking some of the clients with you. Regardless of whether or not you decide to accept your father's offer, what thoughts would you put into your decision and what would you tell your father?

Park Family Resolution

- Your father argues that this was your chance to learn the real side of business, but you feel you have already survived well in the real, competitive, often brutal advertising world.
- In the people-oriented job you are in, you are happy, comfortable and successful which does not fit well with his bottom-line orientation where he has made it clear that people are secondary to profit.
- At the peak of your career, he is asking you to start over, virtually from scratch to see if it could work. It even meant giving up a house you owned and restricting you from buying another one for at least a year.
- He also makes it clear you were to remain remote from your mother, which warns you she might be the pressure behind him offering you the job.

- You, therefore, tell him it is a difficult choice and that with your career being on an upward path, you want to dedicate your efforts in the field you know and pursue every

opportunity the business you are in may offer. You tell your father if the agency you're with fails or succeeds it will be attributable to your own efforts. You say you are also wary about the dangers of nepotism and that you wouldn't want to embarrass him if you failed at the job he offered. You tell him that as an already highly competent and proven commodity in the field you occupy, you may not be worth the same to him. But again, you tell him you will think about it and ask him to please keep the door open.

Case History # 10 Roy Jr. Leadership Transition Dilemmas

By Roy Park, Jr.

Specific Scenario

You are 33 years old and coming out of an account executive position after seven years of experience with a large New York City ad agency and a smaller creative agency in Charlotte, NC, and have finally accepted your father's invitation to join his company and run a part of his business. You have experience in research, personnel, sales and management and know the strengths of the outdoor industry since one of your assignments at the ad agency was to write outdoor advertising copy for Ford, Pan Am and Wells Fargo Bank.

Your family's Outdoor Advertising company is the 20th largest in America with its five field officers servicing some 3,000 outdoor billboards covering roughly half of New York State and one third of Pennsylvania. Although the nature of the Outdoor industry is not complex, the hurdles it faces in New York include strict zoning, local condemnation proceedings, competitive builds and lease jumping, environmental opposition and even structural sign collapse due to neglect.

The company has been put together through the acquisition of many old, antiquated billboards from several companies that had never been upgraded or repaired. Some of the boards are more than 40 years old when purchased and the entire Outdoor division was purchased mainly for its depreciation value. It was staffed with untrained manpower and lacking in sales and management people. Receivables that went back for four years had not been written off. Because of the poor condition of the billboards the company was rapidly losing its national accounts which totaled roughly 80 percent of its billing.

You finally decide to join your father and one of the first instructions from him was to confront the financial officer assigned to outdoor to "establish control" and make sure he knew who was in charge. The second assignment was longer term. You were told to learn as much as you could from the person currently supervising the outdoor division and then fire him and take over when you felt you were ready. How do you best handle both the short and long term assignments to try to initially establish the road to long-term beneficial relationships?

Park Family Resolution

- Realizing that your assigned financial officer is someone you need on your side in getting to understand and run the company, you introduce yourself and not following your father's instructions, form an immediately cordial relationship that results in a 46-year partnership in the company.
- Whereas your financial partner is only a few years older than you, the overall supervisor is many years older, and you can tell he wants to survive in the job while he "teaches you the ropes." Your father did not know much about the way he operated but kept him on more as an overseer than a manager.

- You read him right as being the “sly old fox” who was willing to teach you everything he knows to show you how clever he was, and it made sense to establish early rapport and learn from him as long as you could.
- You gave him credit for being able to fool the management committee before you joined the company by being praised three times for “selling” a single contract. To wit: After his long –time cronies at New York ad agencies and buying services called him to say they were about to issue some Park Outdoor contracts, he would (1) tell the management committee that he needed to go down and see if he could sell some new business (which was already signed and just waiting for him to pick up). He would then (2) call back to headquarters from New York to say that he thought his sales presentation went well and he was working to try to lock up some business. Finally, (3) he would wait for the next management committee meeting and present the same contracts to them, one by one.
- So you felt you could learn from him what to do (and what not to do) and you prolonged his leaving for close to year, making sure he was able to get social security and any other retirement benefits he might be due (because your father <u>never</u> offered a severance pay package). Then he got his gold watch, and you never tried to collect your thirty pieces of silver.

Case History # 11 -Son's First Union Negotiations

By Roy Park, Jr.

Specific Scenario

You have joined the family business to take over and run its outdoor advertising division with some 62 people trying to manage, sell and service some 3,000 billboards in five divisions covering 25,000 square miles in New York and Pennsylvania. Three of these divisions: Utica, Binghamton and Elmira plants in Upstate New York are being courted by the Teamsters out of Buffalo and are a rich target composed of poorly paid and poorly trained employees under a loose and remote management that welcomed turnover because it kept wages and salaries low. The faces of the boards they were working on were mostly rusted out so the posted paper wouldn't stick and on many boards was often hanging in shards.

The two Pennsylvania divisions in Scranton/Wilkes-Barre had already been unionized by the AFL-CIO. The same conditions prevailed, but in that case the union contract was coming up for renewal and your father has told his attorneys to refuse to negotiate, which will likely cause a strike. Your father has told you as part of the business and taking over full control, your priority was to first "get rid" of the unions. How would you determine your strategy and approach to this assignment?

Park Family Resolution

- In a family business, you know your mother can often play a role, and in your case you can tell when she has been influenced by your father. In dealing with existing or pending unionization, she advises in a letter: "Get people who will work hard or make other arrangements. Get a chip on your shoulder with your employees and keep it there." "They must have a fear of losing their job if it is not done well…let them know they have to tow the mark, make them fear you!"
- You feel this was precisely why the New York plants were on the verge of unionizing, and you instinctively know you have to work with the men to make them feel it is their best interest to vote against unionization. You substitute the word "fear" with "trust," something they never felt towards Park Outdoor before you joined your father's company.
- So you sit down and talk to each individual employee one-on-one. As Plato said: "Be kind, for everyone you meet is fighting a hard battle." And you learn about the battle each was fighting, you treat each person with dignity and you win their trust. They, in turn, begin to realize you are bringing in a new way of doing business along with a caring management that they and their families can count on in the future.
- The approach succeeds and when the vote is taken in the three New York operations, the Teamsters Union is rejected and you are able to begin to build a well-cared-for, loyal cadre of employees. This first step is critical when you addressed the AFL-CIO unionized plants in Pennsylvania.

- With the Pennsylvania union contract coming up for renewal, and your father's instruction to his lawyer to ignore all wage and benefit demands, the unionized workers went on strike. But with your now loyal billposters from Binghamton, Elmira and Utica available to go into the market and keep the contracts posted, you are also able to assign your managers and sales personnel to patrol the boards and protect them from striking workers who are following them around throwing balloons filled with paint, carrying machetes and guns they periodically would fire off into the air.
- You also interviewed replacement workers at a motel you did business with and that served as your headquarters during the strike. The new people you hired there were then trained by your experienced billposters from New York and as time passed, the strikers now being paid with benefits from their union, voted to disband. Some decided to not come back, but you made a point of not firing the new workers you had hired and trained. Between former Scranton employees who quit and found other jobs, the new workers you hired and some returning former strikers, you were able to end up with a balanced and motivated workforce in Scranton.

Case History # 12 -Roy Jr. Fires A General Manager

By Roy Park, Jr.

Specific Scenario

Your general manager in the Scranton division has decided to retire and urges you to replace him with a much younger employee he had already hired. Your father has a flare for sales contests and since the Outdoor operation wasn't spread all over the country as his TV, radio and newspaper holdings were, he felt these contests kept the juices flowing. Your thought for a prize is a briefcase full of money for the person who brings in the most billing in local sales contracts. You followed up with a briefcase full of brand new dollar bills that were crumpled up and packed so tight they popped out into the air when it was opened. The amount was roughly $500. The contest lasted for a month and most of the contracts were brought in by the newly appointed general manager in Scranton. The contracts were for long-term bulletins advertising resorts in the Poconos. When the contest ended he won the briefcase hands down, and then you realized these contracts were for locations that didn't exist or for locations where zoning would prevent the construction of new units. In effect no billboards existed to back up the contracts.

Then other things related to this new manager didn't look right including payment notices on a car phone that had not been approved and from production companies wanting to know where to send the manager's kick-back money.

You also learn that he had set up trade agreements with your advertisers and kick-back arrangements with your suppliers. You also find out that he is dating your secretary in Ithaca, so when you went down to fire him, he was tipped off. How would you handle when you arrive at the Scranton office?

Park Family Resolution

- Having been warned about the contact from another employee during the drive down to Scranton, you were not surprised to see how casual your manager was after taking his keys to the company car away and calling him a taxi. In fact, he said not to bother because he already had a friend waiting outside to drive him home.
- Under normal circumstances you allow a person who is being dismissed time to collect his belongings, pictures etc., and to go through his desk. In this case you notice his briefcase is already packed and sitting closed behind his desk. As he picks it up to head for the door, your instincts tell you to call him back and open it up.
- When he does, you find it contains copies of all your leases and sales contracts and you confiscate everything that belongs to the company before he walks out the door. It is obvious he is not upset about being terminated and felt it was a natural thing to cash in on the freedoms he felt he was allowed in his managerial role until he got caught.
- Always be careful with promotions when taking the advice of employees who are retiring since some promotions within may have already been exposed to the vices of the retirees.

Case History # 13 -Son's Promotion to VP Challenges

By Roy Park, Jr.

Specific Scenario

You have been working in the family business running its outdoor advertising division for 12 years and have successfully upgraded the plant, brought back the national business from New York and Chicago that had left and was returning a reasonable operating profit of 10 percent since at least some investment had been made to upgrade and renovate the plant to appeal to and bring back national business. In the media conglomerate your father runs are radio, television and newspapers and he is experiencing operating profit as high as 40-50 percent in television. He decides to reassign your roles from management to public relations for the entire company while he brings in "professional" outdoor managers to improve the bottom line. Your new title is Vice President, Advertising and Promotion for Park Broadcasting, Inc. How do you respond?

Park Family Resolution

- The job included advertising and promotion for 14 radio, 7 TV and 39 newspapers along with your former Outdoor division and real estate in 18 states. The main purpose of this move was to have you create an 8-page monthly tabloid newspaper to cover your father's more than 2,500 employees.
- You named it *Park Communications* and your father's formula for the newspaper was simple: include something about every division he owned in each issue, from pictures announcing all new employees, birth, marriage, news announcements or feature articles. In effect, you immediately become involved in what was happening every day in the roughly 100 subsidiaries your father owned from the West Coast to south Florida. In addition to employees, the newspaper also went to network executives, offsite suppliers and advisers and potential media your father was targeting for purchase.
- Every article caption and headline was hand-typed and subject to your father's approval. Constant corrections and edits means heavy use of corrective tape and white out. Again, this was before the internet and before email and every month, like clockwork, you had to drive 150 miles to Ogdensburg, New York, regardless of weather, so the General Manager of the paper your father owned could reset your layout and supervise the printing and folding of the newspapers which you would take back to headquarters for mailing the next day. Keeping track of the employee addresses with constant turnover and movement was a nightmare in itself.
- Your job also included writing press releases, developing logos and slogans for the television stations, attending public relations events and launching new programming for the television networks. This meant attending annual kick-off celebrations around the country for the new network shows and sitcoms along with dinners sitting with movie stars from Jack Lemmon to Bernadette Peters.
- The job also included supervising the advertising for all of your father's companies and developing a corporate advertising campaign. You are still expected to attend your father's weekly meetings and are responsible for developing the visuals for his annual

address which covered every property he owned with graphs and charts showing the company's progress in national and local sales, expense and operating profit lines.

- Additionally you are the managing director of the Park Broadcasting's advertising agency which handled all promotional advertising done by all of the company's newspapers and broadcasting during this period. Its commissions increased 300 percent.
- Finally you were expected to represent the company in community affairs locally and served on the Public Relations Council of the Tompkins County Chamber of Commerce, its Tourist Council and other committees, on the Board of the Tompkins County Council of the Arts, corporate executive to United Way and the Finance Committee of the Special Children's Center. You serve on the Board and as the Chair of the Ithaca Assembly over a period of six years, and win the Project of the Year Award from the Tompkins County Chamber of Commerce for bringing the Junior Olympics to Ithaca.
- Bottom line, you dug into your new role and performed well in this new area. Through your contacts, you kept track of what was happening in Outdoor, being aware of its slow decline, but staying out of it thinking you would not be involved in it again.

Case History # 14 - Father's Unlikely Choice for the Park Empire: Ithaca NY

By Roy Park, Jr.

Specific Scenario

During the time you worked in promotion and public relations for your father's Park Broadcasting companies, which also included many newspapers, you learned about another aspect of your father's clever thinking. Having moved to then tiny town of Ithaca from the capital city of Raleigh, NC your father began his start in an advertising agency business which led to the creation of Hines-Park Foods with the Duncan Hines brand franchised on more than 100 food products across the nation. He is beginning to make use of the P&G stock he received when he sold his company to expand initially into the broadcasting business, In doing so he chose to remain in Ithaca, which, at best, is a difficult place to get in and out of and fully lived up to its "centrally isolated" name. As his media company grew into ownership of radio, TV and newspaper properties across the United States and with over 3,000 employees grew to almost reach 25 percent of the American public, he remained in Ithaca, N.Y., in fact purchasing an estate and even settling in further. This being done even though all his family's shopping and medical care took place in New York City.

Despite the fact that Ithaca was not the glamourous large city associated with a corporation of this size, he had no problem recruiting talented media management who had to travel out of Ithaca each week to oversee the various media properties he owned. Because of the time this took, your father even discouraged his executives from joining associations and attending business conventions. Despite the fact these top executives spent full weeks away from home, even their high maintenance wives felt good about their move to Ithaca. You learned that he always made it a practice to interview them for the job along with their husbands and the more aggressive and demanding they were, the more he knew they would drive their husbands to work harder for him to make more money. What advantages are there for making a small town the headquarters for such a large corporation?

Park Family Resolution

- With no other competitive business or job opportunities in their specialized category of expertise available in Ithaca or the surrounding area, no disgruntled Park employee could go across the street to a new job.
- Other escape routes, by reason of keeping each headquarter manager's travel schedules loaded, were sealed because it left no time for attendance at association meetings or business conventions where you father's employees could be recruited away. If anyone attended these, it would be your father or his second in command.
- Ithaca also offered readily available housing in a country setting to entice people from the higher-cost-of-living areas around big cities.
- The hiring of employees with wives accustomed to expensive trappings and a high style of living raised the employees' status in the social hierarchy in this small Ithaca community.

Case History # 15 - Son Negotiates Job Conditions with Father

By Roy Park, Jr.

Specific Scenario

When your father brought in two "professional" outdoor people to boost the Outdoor division's bottom line, the result was a disaster. The first manager made no attempt to budget funding to improve the condition of the Outdoor plant and also passed up a number of opportunities to acquire billboards both within and adjacent to the Park Outdoor markets. He also remained remote from both clients and employees and then calmly resigned as the income in the outdoor division began to decline. The second manager eliminated the autonomy of the five divisions believing that management should be centralized and he hired specialists in sales, leasing and operations to work under his management at central headquarters. He did not join any outdoor advertising associations or hire outdoor auditing firms. He also made deals with certain national clients at the expense of others which led to losses in advertising income for the company. Going through these two "professionals" during a four year period, the company has again lost almost all of its national business and the bottom line went from an income in excess of $400,000 to a loss of $275,000. In the meantime you have successfully promoted the other divisions of the company as well as created a monthly tabloid newspaper which has united employees throughout the company during this four year period. Your father than asks you to come back and take over this disaster which has been a result of his decision to replace you with "professionals" and to repair the damage they have done. He has told you to take over Outdoor management again or possibly look for another job. How would you respond?

Park Family Resolution

- Initially you want no part of it. You were expected to stand by and watch it succeed or be run into the ground because you would know each move that was being made from your former financial colleague/CFO who was not replaced by "professionals",.
- The CFO who had witnessed it crash dive under the "professional" management for four years simply pointed out that you had nothing to lose. The division could go nowhere but up, he advised.
- When you learned that without you, the Park Communication newspaper that you created, founded and published for five years along with your other advertising and public relations responsibilities would be indefinitely suspended, you could see that saving the Outdoor division was more important. You were needed enough to have some bargaining power.
- This time you make as a condition for your return, your father's commitment to invest capital in improving the plant in order to reverse the flat and declining sales. This included a more efficient poster system and a doubling of construction crews to upgrade the appearance of the outdoor units.
- It also included the ability to join the Traffic Audit Bureau for the first time to provide accurate circulation figures for each billboard location. As well as the ability to finally join Outdoor associations in New York and Pennsylvania as well as the Institute of Outdoor Advertising and the Outdoor Advertising Association of America.

- The big reason for stagnant growth in the past few years was the decline of national business, and with the investment in upgrading that was permitted and with the contacts you had with major tobacco companies, you were going to be able to bring the business back.
- Finally, for the first time your father began to allow the Outdoor company to look at new opportunities to expand its inventory.

Case History # 16 – Seeking a New Job Opportunity

By Roy Park, Jr.

Specific Scenario

After serving as Vice president for Advertising and Promotion for Park Broadcasting, Inc. for five years in 1984 your father asked you to return to manage the Outdoor Division to turnaround a loss of $275,000 after your father had hired "professional" outdoor management people during the time you were out.

It was like starting all over again with the company back down to what it was when you originally joined. During this time you realize that with the travel required during each week with the two divisions over four hours away from Ithaca, you really weren't much of a father raising your kids and after 10 years with only 2 weeks of vacation a year, the feeling of claustrophobia became too much to bear, so you decided to take a chance and look for another job. Your wife and you both wanted to go back south to a warmer climate where both of you were born, so you set up and flew to Atlanta, GA for an interview with another company.

Their first step was the requirement you take stringent psychological tests from a prominent PhD the outdoor company uses to assess top management recruits. The tests took a full day. After the results were summarized, you convinced the psychiatrist, and although reluctant, he shared the results with you. You have an IQ between 127 and 132, higher than 96% of the general population, showed excellent learning ability, were an excellent problem-solver and used a clear choice of words. The test indicated you like to spend 80% of your time with people, didn't require periods of solitude and were warm-hearted, outgoing and could deal easily with all types. It also showed you had confidence in yourself, were independent and resourceful, not a procrastinator, innovative, decisive, showed initiative, exhibited good aggressiveness, and was a realist.

Finally, the test indicated that you were tactful, diplomatic, had good emotional stability, worked well under pressure, were goal-directed, and able to establish priorities. Your management style was that you could work with all types of people, treated them as individuals, managed by objectives and communicated well with everybody. In effect you were a good crisis and turnaround manager. In effect, you were everything your father said he needed but didn't realize he had. The psychiatrist said he was sure you'd be offered the job.

The next day for lunch you met with senior management for a final interview and alternatives were discussed for assignments in Atlanta. You flew home feeling pretty good about the whole thing and thought you might be offered a job. Two days later a job was offered, but not what you expected. They wanted you to head their Philadelphia outdoor division. An assignment far higher than you expected. But not a location you wanted. What would you do?

Park Family Resolution

- Although the level of the job was higher than expected, the family goal had been set that if you left Park Outdoor, you would find a job in the South.

- The location is not what you planned when you picked an outdoor company in Atlanta for an interview. A permanent move would involve selling your house, and Philadelphia is not where you would want to be.
- Coming into a company cold as the top person that was not located in Atlanta where the owners of the Philadelphia division resided was a concern. It was difficult enough to return to my hometown to start cleaning up the problems of a company your father owned.
- You decide to stick with your plan and within a month it turned out to be the right decision. The outdoor plant in Philadelphia was sold and the chances you would have been out of job when the new management took over would have been a strong possibility.
- You were thankful you had not sold your house and accepted a volatile position requiring you to come back hat-in-hand to ask your father to back into the family company you left.

Case History # 17 – Father's *Forbes* Interview Prompts Son's Resignation

By Roy Park, Jr.

Specific Scenario

You have restored the Outdoor Advertising business for the second time, have seen growth and improvement and gained a national reputation for running a good company. You have retained and hired good people and everything is going well. Your father is interviewed by *Forbes* magazine after you have been working for him for 13 years and toward the end of the article he is asked what plans he has for succession. His answer implies that you as his son would not be likely to succeed him and would not inherit control of Park Communications, Inc. The magazine implied it was clear that your father felt you had yet to prove yourself and after quoting him saying "you can't treat somebody special just because he is your son," he went on to say that "When NBC was at the bottom and young Sarnoff was running it we lost a lot of good employees."

This is particularly hurtful to you since you know how hard you have worked to maintain productive, loyal employees and eliminate the turnover which your father had encouraged because it kept down wages across the board. Friends and current and former business associates from all over the country called to offer their sympathy after seeing the article and what they felt was a father's putdown of his son. How would you react?

Park Family Resolution

- There is a very real danger in going to work in the family business whether for your father or some other close relative. Simply put, if you don't make it, or the public perception is that you don't succeed in the business, you will find it almost impossible to be hired by any other company. You never expected to be in line to take over anything, other than the division you ran.
- Fortunately, at the time the article came out, you had already interviewed for another job earlier, were offered it, but turned it down. Now with this public denigration, there was no way you could remain with your father's company at this point and ever hope to be hired somewhere else.
- So on a Monday morning you walk into your father's office, hand him your letter of resignation along with your credit cards and keys to the company car. You remember your father asking you to straighten out the Outdoor company he owned which after a few years you restored to profitability, and you can't forget that he hired professional managers to run the company while he moved you into public relations for Park Broadcasting. Going through your mind is after Outdoor slipped into a loss four years later, he asked you to take the Outdoor division back again or find another job, but you don't say a word about it or restoring it to profitability when you turn in your keys.
- Not being in line to inherit the company is of no consequence to you, but the comment about "not receiving special treatment" when you did not even receive "fair treatment," left only one choice for you. The article's implication was that you "had not proven yourself."

- Your simple letter of resignation read: “This is to inform you that I am resigning from Park Outdoor Advertising, effective today, August 31, 1984. The *Forbes* article expressing your true sentiment leaves me no choice. I regret having left a productive eight-year career to join your career only to have you feel that my efforts over the past 13 years have not been worthwhile.”

Case History # 18 – Son's Resignation Implementation Plans

By Roy Park, Jr.

Specific Scenario

An article appears in *Forbes* magazine in an interview with your father, implying that you, as his son, have yet to prove yourself and that there are no plans for you to succeed to him in the whole company. As a result of friends and colleagues expressing sympathy for what they consider to be hurtful to you, you decide there is no way to counteract the impression that was given aside from tendering your resignation. Your immediate concern is how to explain this to your loyal employees in a way that addresses your father's implication. You need to make it understood you are leaving not only because the implication is unjust, but that it shows a shocking lack of appreciation for what you and your employees have accomplished. How would you transmit this to your employees?

Park Family Resolution

- Conveying the reasons for your departure in a memo to your Park Outdoor employees, you write:
- "My deepest regret that on Friday, August 31, 1984 I resigned as Vice President and General Manager of Park Outdoor Advertising."
- You go on to say, "exactly three years ago, my father asked me to take back an operation which had been badly mismanaged, was losing money and was faced with a bleak future. Hard work and team work from people like you restored the company to profitability and indeed, this year we are headed for record profits for Park Outdoor."
- You point out "in the September issue of *Forbes* magazine…my father implied the impression that I had failed to prove myself and at least, was unworthy of succeeding him." You point out you have no connection with Park Communications and that the Outdoor divisions were never part of the broadcasting and newspaper entities and you say "every employee deserves to be treated with respect and to infer that our success with the Outdoor divisions is a failure indicates lack of confidence for all of us."
- You point out it is hard to work in an environment when commitment, hard work and loyalty go unappreciated and "to further compare our long tenure together with the terrible turnover experienced by another company is unfair." You remind them that they all know the turnover among key people has been virtually nonexistent in the past three years compared to the rampant turnover in the Outdoor division before you were asked to manage it.
- You go on to say your father's nationally published vote of no confidence left you no choice but to resign and it was unfortunate that he did not feel the need to tell you this personally. You state that you must admit your values and priorities are different than his and they will remain unchanged.
- You end by saying that you regret that all of this occurred on such short notice and you were not made aware of the article until a flood of phone calls came from friends nationwide at the end of last week pointing out "these callers were all shocked and expressed both sympathy and support proving once again that there is nothing more valuable in this world than trusted friends."

- You end by saying that “I count each of you among those good friends and with my departure thank you from the bottom of my heart for your tremendous efforts to help rebuild Park Outdoor to its present healthy position.” and you close with “Good luck to each and every one of you.”

Case History # 19 – Son Negotiates Father's New Job Offer After Resignation

By Roy Park, Jr.

Specific Scenario

You have resigned from the family outdoor advertising business because of the implication by your father published in a national magazine implying that you had not proved yourself after working for him for 13 years, and you begin the long process of looking for another job. You remember you had already been offered the job of managing a top outdoor advertising company in Philadelphia, which you turned down.

In the meantime, stories of the resignation as well as published reports on your father's attempt to bring you back into the fold begin to appear in local newspapers. You see this as an opportunity to work the press and perhaps rejoin the company, since your lawyers tell you it would be acceptable to do this if you can return on your own terms. What terms would you incorporate in a comprehensive package under which you would agree to return to the company?

Park Family Resolution

- Over the rest of September, 1984, the published reports included your letter to your father and a statement from him saying he regrets his son's decision to resign. Again, keep in mind that in a family business your mother can be an ally with either you or your father. In this case she became your ally, having a custom-made sign hung over the toilet in his office bathroom saying "Time Wounds All Heels." After he tries to contact you through both your former employees as well as directly, you take your time calling him back to learn he has a written proposal and would like to show it to you.
- The provisions included the title of President and CEO as well as an agreement to sell the company to you in 10 years
- To accept the offer you told your father you wanted an agreement to buy in five years and you compromised on seven. You felt you got the better of the deal since out of the five year reduction you requested you got three of the five years, he only saved two.
- He also slipped in his right to sell the Scranton division but only if he could do so by December 31, 1984, the end of the year.
- Since you could see no way that he could find a buyer in the two months remaining you let it pass. You felt there was no way your local Scranton competition could get his hands on that kind of money since he had already borrowed heavily to build the boards he used to compete against you, and even then, you were beginning to win back some of the clients he had taken away. You should have suspected he already had an agreement in hand.

Case History # 20 – Son Shocked by Father's Scranton Sale on Christmas Eve

By Roy Park, Jr.

Specific Scenario

During the negotiations between you and your father to reach an agreement under which you could buy the company, he innocently indicated that he would like to reserve the right to sell the Scranton Wilkes Barre division, which comprised one third of the company, if he could find a buyer before the end of December, 1984. With only a month left for a possible sale to take place, you felt there was no way a buyer could suddenly be found. You also certainly didn't think that a competitor in that market who had built new state-of-the-art billboard under presold contracts to one of the major tobacco companies, would be able to find enough money to buy out the huge operation.

What you didn't know was that your competitor had gone to GE Capital, through a backer who had made millions in the Outdoor business and also had the backing not only to buy your father's properties but many others across the U.S. On Christmas Eve the company you ran was diminished by 33 percent. Under the terms of the agreement the entire division was sold to your competitor, leaving all of your employees without a job on Christmas Eve. How would you handle?

Park Family Resolution

- You were naïve to agree to that provision about Scranton inserted in your father's agreement about buying the company in 1988. The sale of Scranton for $3.75 million came in just under the wire of his deadline of December 31, 1984, and your employees were escorted out the door without time to gather their personal belongings on Christmas Eve and sent home to celebrate their jobless status on Christmas with their families.
- It was hard to believe that your father constructed an agreement to sell you the company *after* he had negotiated the sale of a third of it to your competitor. You should have realized that since the possibility was even mentioned by him, it was already an established fact. There were no opportunities your father missed.
- The thought even crossed your mind that the only reason your father had released money in the Scranton division for massive capital improvements in order to bring national business back as well as requested that you eliminate the union, was to make the company more valuable for sale.
- Christmas Eve appeared to be perfect timing for your competitor to crush your employees who fought for you against him. Most were told they would be invited back to interview for a job, but you learned that those who had fought the hardest with you against our competitor were either not asked back or not rehired after the interview. Family business wrecked the family Christmas that year.
- You quickly made an effort to hire the people he rejected in Binghamton, your division closest to Scranton. Those who accepted were immediately put on the Binghamton payroll and your former Scranton operation's foreman commuted faithfully from Scranton to Binghamton for years. Of your former salespeople, one not rehired made the

decision to join you in Binghamton and became Vice President and General Manager for years.

- As an afterthought, you were thankful that while you were able to pump capital funding into Scranton you had also started a targeted capital improvement initiative in New York and now fiercely continued to build on that.

Case History # 21 – Son's Strategy to Purchase New Headquarters

By Roy Park, Jr.

Specific Scenario

As your company expands, a larger corporate headquarters building is needed and a search begins. Various buildings were located and inspected and then one comes along which had housed 35 insurance clerks in cubicles and which would need substantial renovation to accommodate a headquarters for the only dozen or so people involved in running your company.

The asking price was outside the budget set aside for this but the building and location were perfect. The key was to bring the price down without letting the seller know who the buyer was which meant working through an intermediary. You have a realtor that used to work for your father. How would you instruct him to negotiate the offer that would benefit both your realtor and you?

Park Family Resolution

- Normally when you hire a broker the broker receives a commission based on the actual sale or purchase value of the property. As a percentage, the higher the price, the higher the commission. A broker's attempt to try to reduce the price for the buyer also reduces the possible commission that will be paid.
- In order to give your broker the incentive to offer and achieve the sale at the lowest price possible you offered the regular commission on the sales price *plus* double the commission percentage on the difference between the asking price and the price at which he actually got the owner to sell.
- This worked very well for you as you were able to save thousands of dollars even paying a double commission on the difference between the asking price and the actual price you paid. And so a move was made.

Case History # 22 - Son Buys Erie

By Roy Park, Jr.

Specific Scenario

Your father has sold one-third of your entire Outdoor company out from under you, and you are trying to recover from the loss of Scranton. You now begin to build up the Outdoor company in New York, which constitute two-thirds of the remains. You had learned that your father's emphasis on the growth of his Park Communications conglomerate did not include Outdoor, so there is little enthusiasm for it when growth opportunities came up. However, as you become aware of adjacent inventory for sale, you pursue it anyway. One such opportunity came in Erie, Pennsylvania which was adjacent to your Western Pennsylvania and New York markets.

Despite the strong objection of your father, you have the right as CEO. You made an appointment to meet with the owners in Erie, PA, being fully aware that they have also approached a competitive Outdoor company in York, PA that already has inventory in the market.

During your meeting, the partners had requested that neither party have lawyers present and you have prepared a letter of intent with your offer stated in writing that required their signatures. You knew they were going to shop the offer, and without their signature you had nothing that was binding. They kept saying they wanted to think about it overnight and take the unsigned agreement with them. You refuse. How can you get them to sign it and bind the deal?

Park Family Resolution

- The meeting took place over a late dinner with the discussion dragging into even later hours without their signing the letter of intent. Once the dinner table was finally cleared off, that's when your advance preparation helped and you laid a check for $50,000 on the empty table as a good-faith down payment, telling them they could cash the check as soon as the agreement was signed.
- As the time approached 11:00 p.m. they insisted on calling their lawyer and he came to the meeting with pajamas on under his coat. That's when you exercise equal right to call your own lawyer 250 miles away in Ithaca, but first making sure you gathered up the check and the unsigned agreement when you left the table to make the phone call.
- You stick to your guns and finally, shortly after midnight, they sign the agreement, collected the $50,000 check and the deal is done.

Case History # 23 – Valuating Park Outdoor for Purchase by Son

By Roy Park, Jr.

Specific Scenario

In a family business built by your father, a self-made entrepreneur, his holdings not only include all types of media, but also farm land, orange groves and timberland. His ownership of real estate is rampant all through the states where his company has holdings and nothing was ever sold by him. Even with your President and CEO title signaling the theoretical independence of the Outdoor division from your father, he continues to keep involved and tries to maintain control to an unbearable degree. You finally decide the only way you can continue to work for him and remain with the Outdoor company is to try to buy it from your father.

Because of a previous agreement to sell it to you in seven years and with three years still left, he maintains that until that the time goes by, that was the deal and there is nothing he can do about it. His attorneys are instructed to maintain that no purchase value can be determined for a company that can only be purchased three years into the future. You need to find a way to determine a current value based on this future agreement so that an offer he would find difficult to contest can be made. How would you go about this?

Park Family Resolution

- The first thought you had to determine the value may have been to consult Outdoor associations and even well-known advertising brokers to determine the most recent formulas to evaluate an Outdoor plant such as multiples of gross income, net income, operating profit and so forth or even evaluate the plant based on the average income on the number of boards as well as the length of leases at each location. But with so many possible ways to measure an Outdoor company's value, and keeping in mind that your father doesn't like to sell anything, it wouldn't be hard for him to pick apart whatever method you used and counter with another. He also has the out of claiming that no current method of valuation could still be valid three years into the future.
- Working with your attorneys you instead come up with an approach that makes it far more difficult for your father and his attorney to pick apart. You base its value in what an outside buyer would pay for the company based upon the need to have a reasonable (10 percent) return on their investment by the end of the three-year period. You base the projected increase in income and operating profit on what has taken place over the past three or four years with existing inventory. You do not factor in new builds during this period since that would not allow enough time to get back any investment. With this approach you determined the highest offer by an outside buyer would be $1.5 million. This was presented to your father and his attorney.
- Using this approach, if the value is questioned, you can tell your father to feel free to find another buyer for that amount or more and to go ahead and sell it, since you would be able to buy it at the end of three years. You felt that your mother would certainly ask your father why he would sell to an outside buyer before to his own son. You also know

how difficult it will be to go out and search for someone who would consider it a good short-term investment with the intensive management it would require.

- Another advantage to this approach if it worked, is that by making an offer to buy at the most you think anybody would pay to own it for three years, the offer could be substantially less than what it really could be worth three years in the future. Your father had no recourse but to accept your offer of $1.5 million.

Case History # 24 – Father's Passing Leads to the Creation of the Triad Foundation To End Family Conflict

By Roy Park, Jr.

Specific Scenario

When your father as the head of the family business died his will left the vast majority of his wealth to the nonprofit foundation he founded requesting it be headed and staffed by your mother. His long-time attorney who had been put in charge of writing and rewriting his will (and later your mother's will) was to be put on the Board of Trustees. Your mother also names you and your sister along with your daughter and an outside financial manager to the Board. The Foundation is funded initially with some $600 million and a Mission Statement and Bylaws are written by you.

But it isn't long before sibling rivalry surfaces on the direction the Foundation should take. On one hand, your extremely liberal sister wants to advocate progressive policies and radical environmentalism counter to your father's business and political beliefs. On the other hand, you want to reflect the legacy of your father who funded and founded the Foundation. How would you go about resolving the conflict?

Park Family Resolution

- As time went, your sister and niece, who was later added to the Board along with your son, pushed to more and more grant funds to environmental and political activism that was beginning to crowd out other grant categories. You and your two children feel the Park Foundation was beginning to move directions you felt were very different than those your father would have approved of or taken and your attempts to hold to his legacy were putting a strain on your mother. Even his attorney upon hearing your mother say "if your father were here he wouldn't believe this," responded "If your husband had attended any of these meetings, the Board of Trustees would be a committee of one."
- To try to gain balance, your mother requested the addition of two more conservative trustees to the Foundation. One was a former Senator and the other a CEO of a bank, both of them having been lifelong directors of your father's company. But even they did not have a noticeable effect on the direction in which the Foundation was going in.
- As differences continued to exist beneath the surface, it was heartbreaking for you and your family to watch how the majority of what your father worked so hard for was directed to grants in directions not in accordance with what he believed. The Foundation even hired an outside professional who consulted family foundations and after a two-day session in New York, your sister summarized the meeting as a "waste of time."
- So because this was putting so much stress on your mother, your children and you decided that it was best for the two families to go their separate ways, and for yours to form a second foundation to stay within the bounds of what was your father's donor intent.

As a result, on February 3, 2003, a joint press release was release reading: “The Trustees of the Park Foundation, Inc. announces today the formation of a second family foundation, Triad Foundation, Inc. The new structure will permit the two foundations to pursue the philanthropic objectives that best reflect the diverse interests of their respective boards.”

Our mission statement reads as follows:

> *Triad Foundation, Inc. is a Roy Hampton Park Family Legacy. The Foundation represents the family and honors the legacy and donor intent of its founder, the late Roy H. Park, through graduate education fellowships at academic institutions with which he was affiliated during his lifetime and through grants for scientific research.*
>
> *The graduate fellowship programs reflect his desire to encourage American citizens to take advantage of the opportunities offered to them by their country. Triad Foundation, Inc. continues his commitment to democracy and free enterprise, religious liberty and freedom of thought and speech and to broad access to education and employment.*
>
> *Charitable and educational grant-making is generally restricted to the East Coast where Roy H. Park had lifetime interest, and to areas where Foundation Directors reside.*

Case History #25: Fraud in Family Firms

By Roy Park, Jr.

Specific Scenario

Henry Kissinger said "Power is the ultimate aphrodisiac." Even powerful entrepreneurs lose sight of reality and believe only what they want to believe and what they think is the truth. If everything they do is right, how can anything they do be wrong? Power, therefore is susceptible to flattery.

Power feeds on flattery. It insulates and divorces you from reality. People with power become obsessed and it can lead to self-destruction. Still, the majority worship power and if they don't have it for themselves, they worship those they think are powerful, feeling that riding on the coattails of that someone gives power to them.

Your father was burned once before by someone he trusted, and his characteristic wariness should have countered his susceptibility to flattery. But when someone claiming to be a distant relative from his home state of North Carolina tried to get an appointment to see him following a letter glowingly referring to his accomplishments, he bit.

After the meeting, the individual convinced your father he was distantly related and not just avid admirer and your father was so taken in, he hired him. The new employee had no experience in any area of your father's company but claimed to be a skilled photographer. So he convinced your father to allow him to do a documentary on the entire company photographing every building and management group throughout his widespread organization.

His trips all over the country were funded by your father for seven months. His pictures and reports were taken as truthful and helpful, and when he finally returned with his massive collection of photographs, he found a place in Ithaca and it became evident he intended to stay.

Your mother, however, noticing how exhaustively he pandered to her husband, felt the relationship was suspicious. Her research into his family was unable to find any kind of family connection. How do you think your mother handled the situation and what do you think was the result?

Park Family Resolution

- Her further research, with the help of a private detective indicated, he was not who he said he was and had no connection with the Park Family.
- She reported this to the police and they executed a search warrant to his apartment where they found copies of letters he had written to the vast majority of people in the *Forbes 400.*
- The letters were virtually identical and in each he claimed he was a relative. Each letter was tailored to the individual history of the recipient based on the research the person had done. The police determined that apparently my father was the first, and possibly the only one who fell for it.

- Having no background or reason to arrest the individual, even though they found bars of gold bullion in trunk of his rental car, they finally escorted him out of Ithaca and out of New York State. He was not heard from after that.