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and Business Consultants



SCHOOL OF BUSINESS  
FAMILY BUSINESS PROGRAM

CBIA

CONNECTICUT  
BUSINESS & INDUSTRY  
ASSOCIATION



# CBIA/UCONN FAMILY BUSINESS PROGRAM SURVEY

# introduction

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**F**rom CPAs to temporary employment agencies, bus companies to cable manufacturers, dairy farmers, car dealers, opticians and grocers, Connecticut's family businesses run the gamut. Tying this diverse group together, however, is an entrepreneurial spirit that fuels 21st century startups and helps older establishments continue to grow and prosper.

In an effort to support Connecticut's family businesses with the combined expertise and resources of the business and academic communities, CBIA and The University of Connecticut, School of Business — Family Business Program are forming a new partnership. Central to this collaboration is a program now in development that will help companies throughout all facets of business planning, development and operation. Family businesses will benefit from a deep well of information on such topics as family governance, succession planning and managing an aging workforce, among many others. To that end, we have asked Connecticut's family businesses directly about the issues and factors they consider most important to their success.

This survey, the first to deal specifically with Connecticut companies, explores key issues facing family business owners today and examines concerns they have about the future. We understand the complexity of family businesses as they compete and grow. While family-owned companies experience many of the same issues public corporations and other business entities also face, they have an additional, unique set of challenges, some of which we address in this report. We hope that the findings will engender meaningful discussion and the development of public policies to help this vital segment of our economy.

CBIA and the UConn Family Business Program offer this review of Connecticut family businesses as an overview highlighting the unique needs and issues faced in operating and conducting a family business.

### John R. Rathgeber

*President and CEO,  
Connecticut Business  
& Industry Association*

### Richard N. Dino, Ph.D.

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**Richard N. Dino, PhD**



**Michael Lubatkin, PhD**



**Zeki Simsek, PhD**

**C**onnecticut family businesses, like most small privately held firms in the U.S., are very concerned about rising health care and labor costs, and a lack of qualified workers in their recruiting pool. Their dominant concern, however, appears to be the overall cost of doing business, with an emphasis on high labor costs and the state's regulatory burden. An overwhelming majority of respondents expressed the belief that state policies discourage new family business formations and that reducing the cost of doing business through tax and regulatory reform, incentives for business investment, and improvements to the transportation infrastructure, would greatly encourage family businesses to stay in the state.

Typifying traditional Yankee spirit, family businesses have a positive outlook, in spite of these external adversities, with most firms expecting sales and profits for their business to rise by at least by 5% during the next 12 months. They believe strongly that the quality of management and low staff turnover make important contributions to their overall business success. Most do not have immediate plans to sell their business. And, while the majority of respondents also indicated that their business has a Web site, the Web site is typically utilized solely as a marketing tool to provide information about new products and services.

The survey results also hint that Connecticut family businesses, as is typical of family businesses elsewhere, are challenged at creating effective incentives and monitoring administrative mechanisms to promote and ensure desired levels of performance. Specifically, family members who are employed by their family firm are only somewhat satisfied with the compensation that they receive and with the management structure. These problems may be caused by the fact that over 60% of surveyed firms do not have a formal succession plan and view strategic planning, which can represent an effective means to diffuse the kind of market and firm-level information required to make key decisions, as their greatest management challenge.

Finally, the survey hints that family firms have problems accurately identifying and choosing the right person for the right job, irrespective of family membership. This potentially leads to issues of fairness and justice among employees. Indeed, an important source of conflict at these firms seems to stem from the non-family member perceptions of the professional competence of employed family members. This result should not be surprising, in that most of the family businesses surveyed lack written family employment policies and view the retaining of family control of the firm as of paramount importance, suggesting that non-family employees face a 'blood ceiling.' Such behaviors can obviously be detrimental to the success of the enterprise.

*University of Connecticut  
School of Business  
Department of Management*

# executive summary

## Top concerns

For business owners, operating in Connecticut presents a number of challenges. A full three-quarters (75%) of respondents, for example, cited the prohibitively high cost of doing business in the state as a significant impediment. The most critical issue facing Connecticut's family businesses is the cost of health care, rated a top concern by 82% of survey respondents. Indeed, with health-related spending exceeding economic growth in every decade since 1970 (and representing more than 16% of the national gross domestic product), financial pressure on employers is at a record high.

Other challenges for Connecticut's family businesses (reflective of the difficulties faced by area businesses on the whole) include labor costs (identified by 42% of respondents), a lack of qualified workers (41%), profitability concerns and/or a diminishing

customer base (30%), the regulatory burden (29%), domestic competition (25%) and international competition (18%).

Business succession and future sustainability surfaced as important topics throughout the survey. Respondents also identified strategic planning (20%), employee training (18%), communication (14%), and financial planning and budgeting (10%) as management challenges. Only 3% of those surveyed cited family involvement as a significant management problem, while another 11% denied any management challenges whatsoever. Most (71%) believe that family members they employ are satisfied (extremely or to some extent) with their compensation.

Nevertheless, sources of conflict that might be less relevant or immaterial to other business entities are often felt acutely by family-run companies, which must balance family needs with business goals. Conflicts related to



*"Connecticut's family businesses face most of the same issues facing the largest companies operating in the state, yet they also have unique challenges. The cost of doing business and rising health care costs remain their most significant concerns, but family businesses also deal with succession planning and the kinds of struggles typically found in family structures. The ability to manage both business success and family interests is a hallmark of family run businesses in Connecticut."*

**John R. Rathgeber** • President and CEO, CBIA

succession (24% of respondents) and the perceived competence of family members working in the business (24%) were tied for the top spot in our survey, followed by compensation (20%) and lack of communication within the family (20%). Respondents also expressed concern over lack of family/non-family management communication (13%), sibling rivalry (9%), and lack of independence between owners and employees (8%). Intergenerational rivalry (5%) and conflicts with in-laws (2%) were least problematic.

Connecticut's family-business owners believe that legislative change initiated at the state level could create a better local business climate and help attract new family businesses to the state. The most helpful government actions, according to those surveyed, would be lowering the cost of doing business (more than 68% of respondents), for example, by tax reduction and tax credits (more than 55% of respondents). Generally, more

than a third of respondents suggested that property tax and estate tax reform, measures to encourage business investment, an improved regulatory climate, and upgrades to the state's transportation and infrastructure would both encourage existing family businesses to remain in Connecticut as well as make the state a more attractive place for other families to start or expand their businesses.

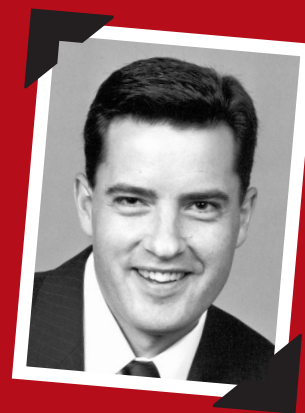
## **Economic conditions and performance**

Most family businesses surveyed are performing well, and many are thriving. Between 26% and 35% predict stable revenue and profits in the next year. Forty-four percent anticipate net profit increases of at least 5% over the next 12 months, and even more (60%) expect the same of gross revenues. About 61% of respondents expect to maintain

*"Family owned businesses help make Connecticut unique. But their problems are not, with two of their top three concerns involving taxes. Lawmakers need to be mindful of the impact tax legislation has on businesses who provide so many jobs in the State."*

## **Jay M. Sattler, CPA, MST**

Tax Partner, Blum Shapiro



current employment levels, while 29% plan to increase their workforce.

More than 80% of family businesses surveyed reported being able to raise prices for their primary goods and services within the past two years. For 11% of respondents, however, it has been two to five years since a price increase was possible, and 8% said it has been longer than five years. Slightly more than half (54%) raised prices between 3% and 5%, while about 21% of respondents either had somewhat higher (6% to 10%) or lower (1% to 2%) price hikes. Relatively few respondents (4%) raised prices more than 10%, and none more than 25%.

Though business conditions, company performance and short-term projections were positive for the majority of survey respondents, others had a dimmer outlook on the next 12 months: 14% expect gross revenues and sales to drop at least 5%, 21% expect

a decrease in net profits, and 10% anticipate a workforce reduction.

Growth in profits and sales are chief indicators of fiscal health for 75% of our respondents, but many are also looking beyond the bottom line. Asked what they view as other measures of business success, 52% of survey participants named quality management, and 49% cited low staff turnover. A company's longevity (30%), market share (28%), net worth (25%), well-defined business model (24%) and social responsibility (20%) also ranked as favorable signs.

One of the more encouraging findings of the survey is the degree to which Connecticut's family businesses have embraced technology. Of those surveyed, 87% report that their firm has a Web site. Key features include information on products and services (84% of respondents); customer service (44%); direct communication with clients (34%); and





*"Family owned businesses have been a pillar of the Connecticut economy for more than two centuries. We hope this important survey will encourage state lawmakers and regulators to adopt policies, particularly in health care, that will create an environment that allows our family-owned businesses to compete and succeed."*

## **Richard M. Barry**

President, Citizens Bank, Connecticut

e-commerce, or the ability to buy products and services online (32%). In addition to using their sites as marketing tools (82%), respondents also use them to elicit referrals (30%), track hits (30%), and monitor sales and performance (11%).

An even stronger majority (95%) of respondents said their firms have taken advantage of software and Internet capabilities even if their own company doesn't have a Web site. Benefits linked to technology use have included improved customer service (69% of respondents), communication (65%), office efficiency (62%), productivity (57%), competitiveness (48%) and product quality (23%).

## **Management, leadership and the future**

Connecticut's family business leadership varies from traditional hierarchies to informal management teams. About half (51%) of sur-

vey respondents report that a president/CEO presides over their business, and the average tenure ranges between 16 and 19 years. Thirty-seven percent of chief executives are ages 51 to 60; 25% are 61 or older. Most (72%) have at least a bachelor's degree, and 19% have graduate degrees.

Family businesses have similar workforce demographics. Thirty-six percent of companies indicate that at least 26% of their workforce is over 50 years of age. Fourteen percent say at least 6% of their existing workforce is composed of individuals over age 65.

In about a third (31%) of cases, management is shared between two family members. Other common leadership structures include shared management among three or more family members (7%) or between family and nonfamily members (9%).

Forty percent of respondents describe their firm's hierarchy as either somewhat or

*“Who will take over the family business? Owners are clearly struggling to find the answer, since they identified succession and strategic planning as top priorities. The best bet may be to put as much effort into preserving your company’s future, as you did into founding it.”*

## **Brian A. Renstrom**

Partner, Blum Shapiro Consulting



extremely informal, and 19% classify it as somewhat or extremely rigid. The remaining 41% say their management hierarchy falls in the middle of these two extremes. Almost three-quarters (73%) of respondents believe that family members employed by their business are satisfied with the company’s management structure.

Among the issues that respondents believe will be problematic when current management retires are extracting equity from the business (43%), ensuring the current generation has enough wealth for its retirement (37%), fair valuation of the business (37%), and concerns over succession arrangements being fair for the whole family (28%). Despite their misgivings, more than 60% of family businesses have no business succession/future sustainability plan, and of those, only 36% intend to develop one in the next two years.

A written family employment policy dealing

specifically with family members hired to work in the organization can help ensure equitable treatment of all employees. These policies may cover issues such as human resource procedures, behavioral conduct agreements, and other issues that may become problematic for relatives working together in a family business. Only 13% of respondents report having such a policy, however, with another 5% saying a policy is currently in development. As a company’s management succession becomes imminent, a written family employment policy is especially valuable.

Among family companies that have a plan for the future, aspects most commonly addressed include family succession (52%), a buy-or-sell plan, an estate plan, or shareholder agreement (46%), cross-training of personnel (26%), manager/officer succession (23%), and hiring/training programs (8%).





*"Many of the challenges are factors external to the business (e.g. cost of doing business in the state). However, there are two areas that are internal and can effectively be addressed by businesses: management succession plan issues and strength of future management. These concerns affect 1/5 and 1/8, respectively, of the family-owned businesses."*

**Michael L. Stern, PhD, Principal** • Charter Principal TGCP, Inc.

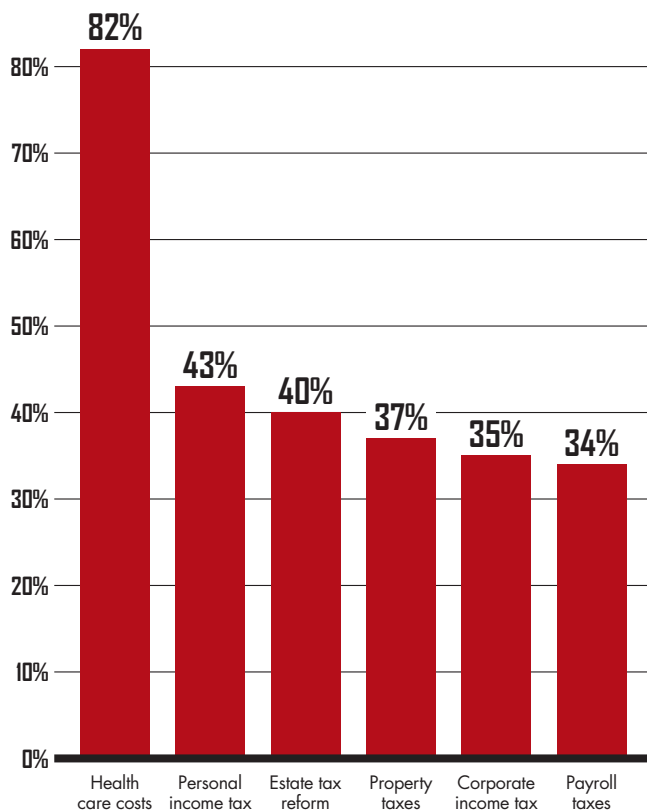
Remaining a family business is somewhat to extremely important for 62% of respondents, although only half (50%) of respondents say it is somewhat or extremely likely their business will remain in the family in the future. One-quarter (25%) of respondents believe family control in the future is unlikely, and another 25% are unsure.

In deciding who will assume stewardship of their businesses, current leaders are weighing a number of factors, including potential candidates' knowledge of the industry (75%), current employment in the business (44%), education and formal business qualifications (37%), and family membership (24%). Of less significance is whether or not candidates have worked in another industry (7%) or for a competitor (7%).

Confidence in the next generation of leaders is mixed but primarily positive. Sixty-one percent of respondents agree (wholly or for the most part) that upcoming leaders will

demonstrate similar levels of commitment as the current leadership; another 26% agree somewhat with this prediction.

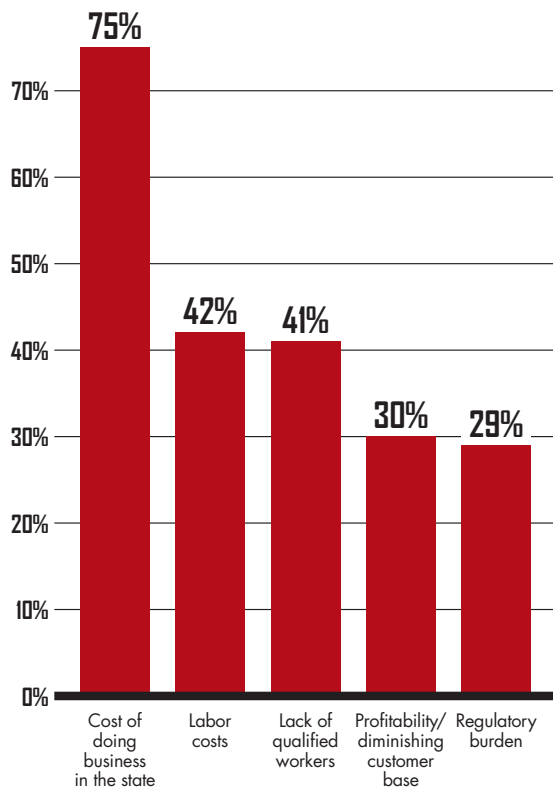
Connecticut's family business community remains resilient in the face of the many challenges related to doing business in the state. In addition, family businesses are actively addressing issues of concern to their organizations and planning for the future. In an increasingly complex global economy, they are demonstrating the will and ability to strategically evolve in order to remain competitive for generations to come.



## Most important issues

**1** When asked to identify the most critical issue facing Connecticut's family businesses, 82% of respondents said the high cost of health care benefits. Other issues receiving "most-critical" status by respondents included the personal income tax (43%), estate tax reform (40%), property taxes (37%), the corporate income tax (35%), and payroll taxes (34%).

*Percentage of respondents on what issues are most important for Connecticut's family businesses*



## Top business challenges

**2** Family-owned businesses in Connecticut face a number of challenges to doing business here. Chief among these difficulties are the cost of doing business in the state (75%), labor costs (42%), a lack of qualified workers (41%), profitability concerns and a diminishing customer base (30%), and the regulatory burden (29%).

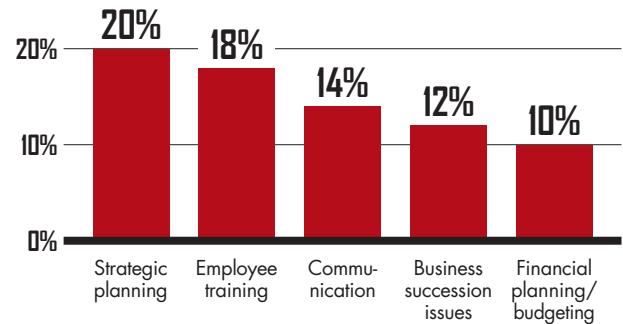
*Percentage of respondents on the key challenges their businesses are facing*

## Management challenges

3

Among the most difficult management challenges cited by executives in this survey were strategic planning (20%), employee training (18%), communication (14%), business succession issues (12%), and financial planning and budgeting (10%).

*Percentage of respondents on the greatest management challenge their business is facing*

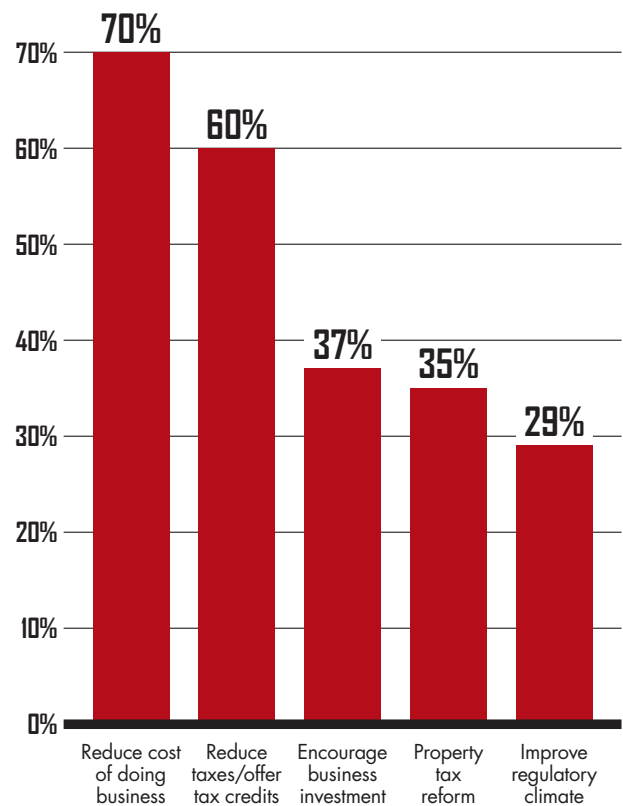


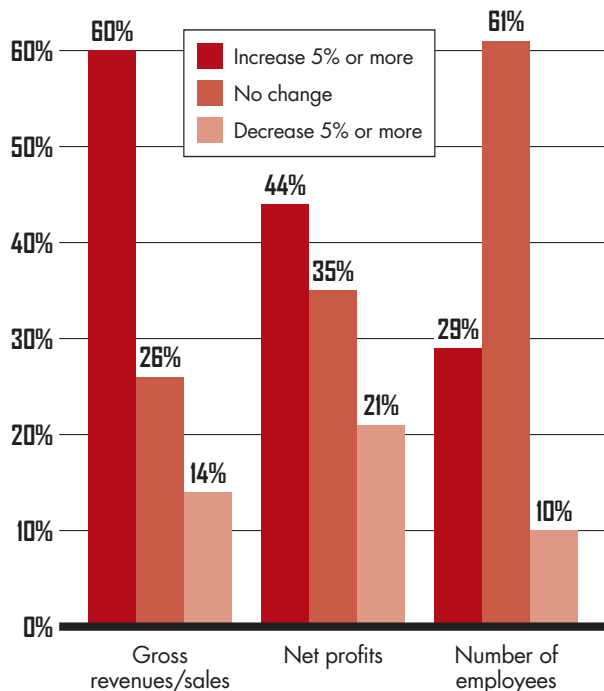
## How the state can help

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Asked what state government could do to make Connecticut a more attractive place for families considering opening new businesses here, respondents said reduce the cost of doing business (70%), reduce taxes and offer tax credits (60%), encourage business investment (37%), reform property taxes (35%), and improve the regulatory climate (29%).

*Percentage of respondents on what the state could do to make Connecticut a more attractive place for families considering opening a new business here*

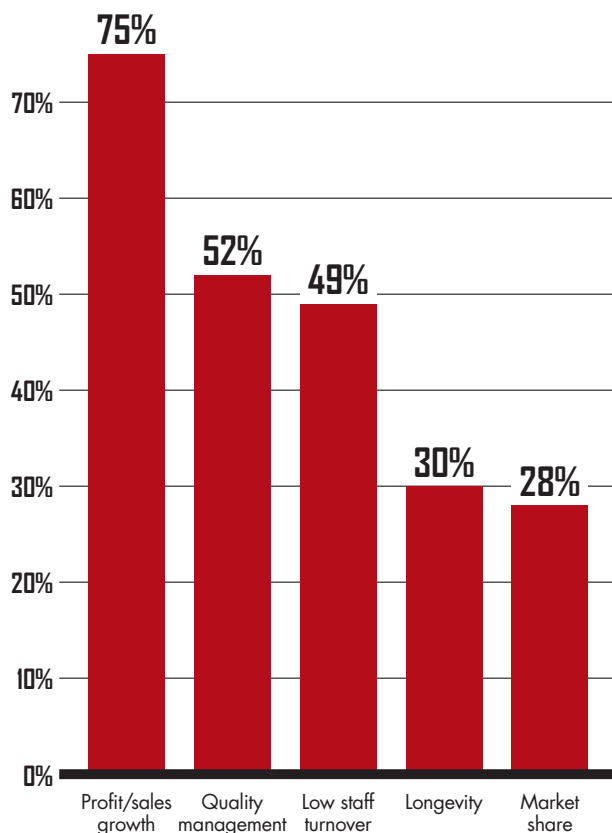




## Business outlook

**5** Most family businesses surveyed are performing well, and many are thriving. Many (60%) expect gross revenue increases of 5% or more, while 26% expect no change and 14% foresee a decrease in their gross revenue of at least 5%. Twenty-one percent expect their net profits to decrease 5% or more over the coming year, while 44% predict net profits will increase 5% or more; and 35% foresee no change in net profits. Businesses plan to maintain the size of their workforce, however, with 90% of businesses either maintaining current employment levels or increasing their workforce, while only 10% plan to decrease their workforce by 5% or more.

*Percentage of respondents on how they expect gross revenues/sales, net profits and the size of their workforce to change in the next 12 months*



## Measuring success

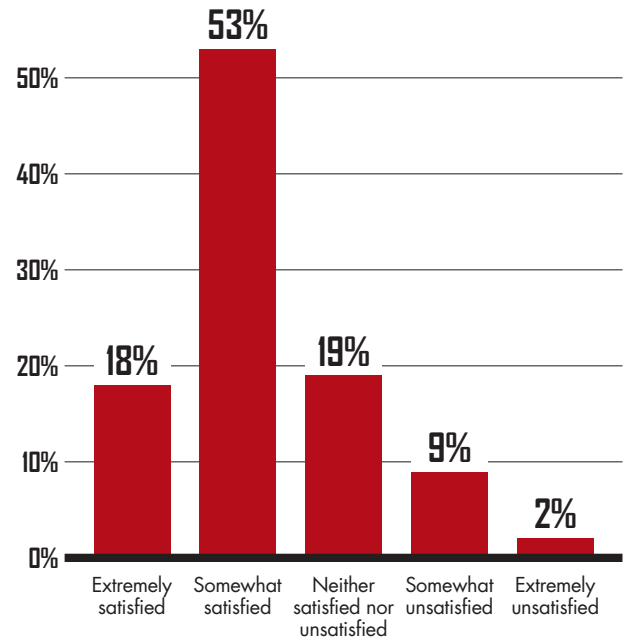
**6** Family business owners use a variety of measures to assess their company's performance. Among the key indicators of business success cited by survey participants were profit and sales growth (75%). Asked what they view as other measures of success, they named quality management (52%), low staff turnover (49%), longevity (30%), and market share (28%).

*Percentage of respondents on what they consider key indicators of success for their business*

## Compensation concerns

**7** Issues regarding the perceived adequacy of employees' compensation packages can be especially sensitive for family businesses. Nearly three-quarters (71%) of respondents said they believe family members working for their company are either somewhat or extremely satisfied with the compensation they receive for the work they perform. Only 11% said family members are either somewhat or extremely unsatisfied with their compensation.

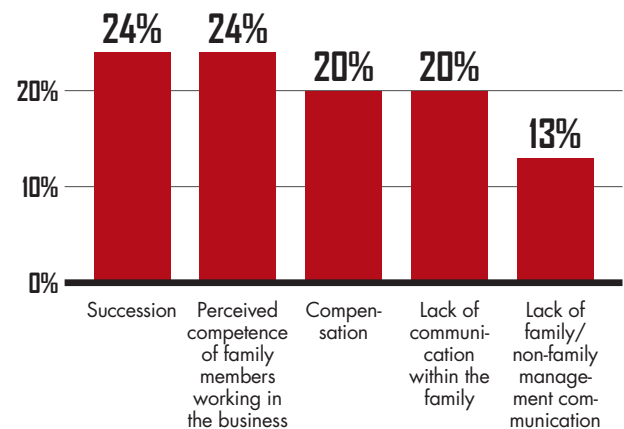
*Percentage of respondents on how satisfied they believe family members working for their company are with the compensation they are receiving*



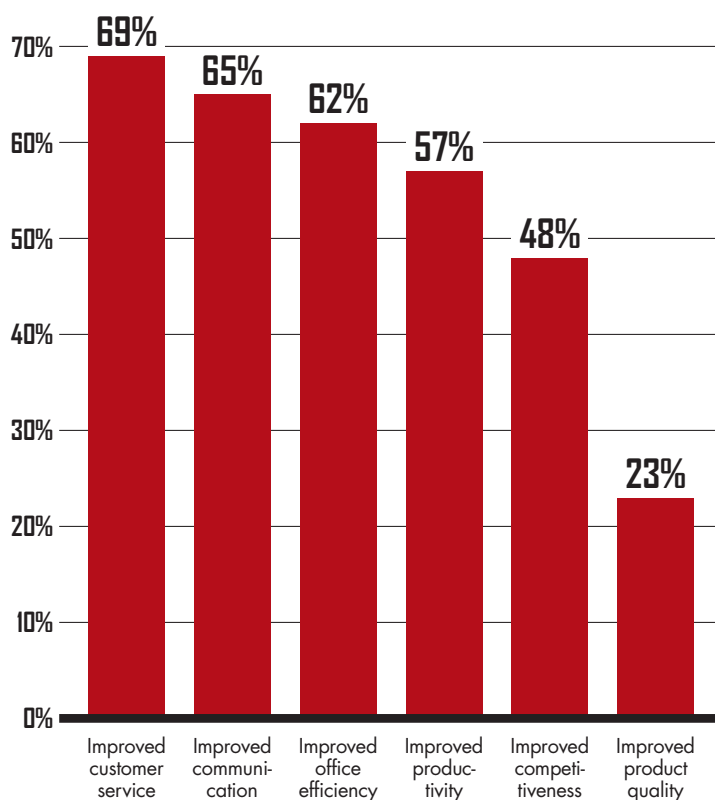
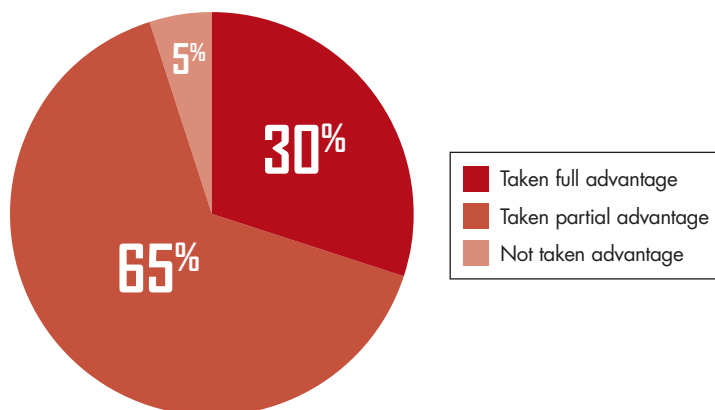
## Sources of conflict

**8** Family businesses are subject to many sources of conflict that might not occur in other businesses. Sources of conflict most often cited by survey respondents were issues surrounding succession (24%), perceived competence of family members working in the business (24%), compensation (20%), lack of communication within the family (20%), and lack of family/non-family management communication (13%).

*Percentage of respondents on the major sources of conflict within their businesses*



Percentage of respondents on whether they believe their business has taken advantage of technology



## Utilizing technology

9

One of the most encouraging aspects of the survey is the degree to which Connecticut's family businesses have embraced technology. Nearly all (95%) survey respondents said their business had taken either full or partial advantage of modern advances in technology, including the Internet, production materials, project planning software, and internal customer communication software.

The use of these technologies has resulted in a number of favorable outcomes for family businesses, including improved customer service (69%), improved communication (65%), improved office efficiency (62%), improved productivity (57%), improved competitiveness (48%), and improved product quality (23%).

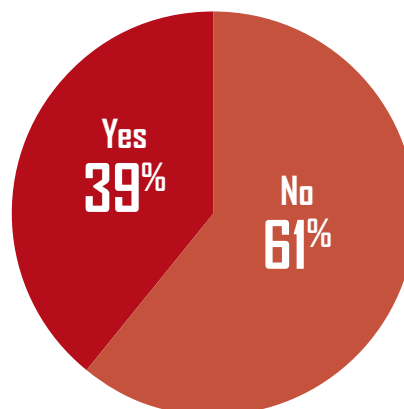
Percentage of respondents on the ways technology has affected their business



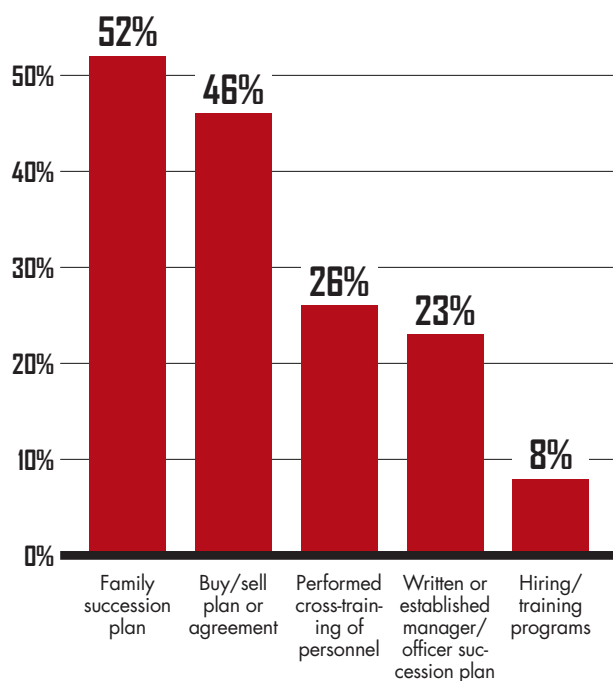
## Business succession and future sustainability

**10** Business succession and management transition planning are important issues for family businesses. However, fewer than half (39%) of respondents said their company has a business succession and future sustainability plan; only 36% intend to develop a plan within the next 24 months. Among those companies with formal business succession and future sustainability plans, issues most often considered in those plans were family succession planning (52%), buying or selling plans and agreements (46%), cross-training of personnel (26%), establishing a written manager or officer succession plan (23%), and hiring or training programs (8%).

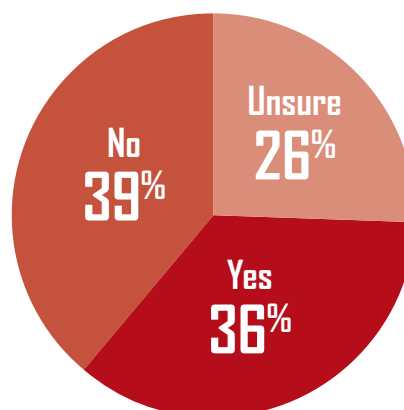
*Percentage of respondents on whether their business has a business succession plan*



*Percentage of respondents on what business succession steps their company has taken*



*Percentage of respondents on whether their business will develop a business succession plan*

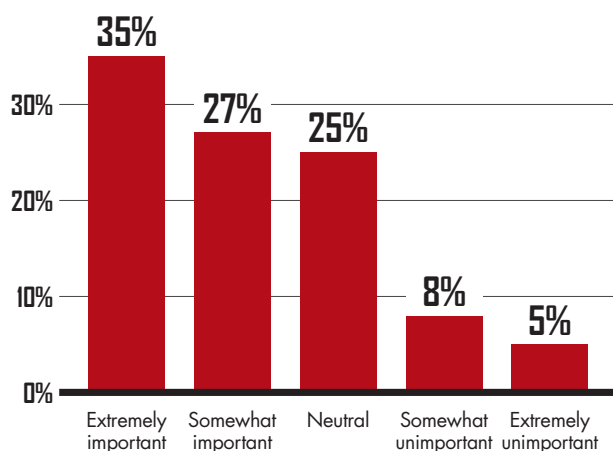


## Maintaining family control

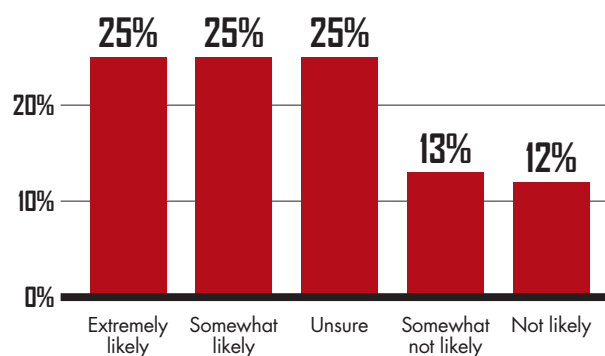
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Maintaining family control of their business is a priority for the majority of survey respondents, with 62% saying it was either somewhat or extremely important aspect of their company's business succession plans. Staying family-owned is not necessarily attainable for many family businesses, however, with only half (50%) of respondents saying it was either somewhat or extremely likely that their business will remain a family-run organization in the future. Twenty-five percent said it is somewhat not or not at all likely that their business will continue to be family-run, and another 25% are unsure about their business' future ownership structure.

*Percentage of respondents on whether maintaining family control is of primary importance to their succession plans*



*Percentage of respondents on the likelihood that their business will remain family-run*

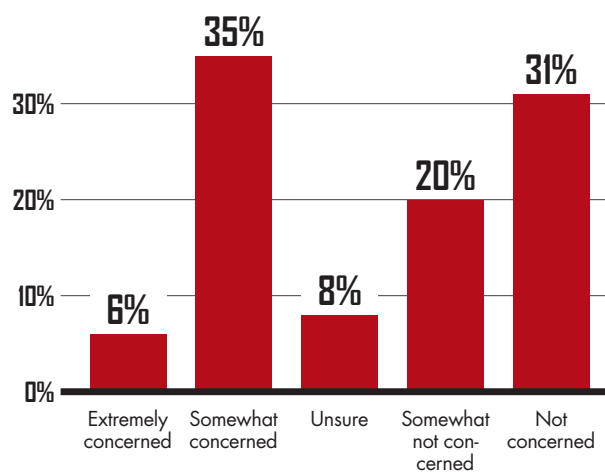


## Retiring workforce

12

While many businesses anticipate difficulty in maintaining an adequate workforce as baby boomers near retirement age, the majority (51%) of respondents to this survey were either somewhat not, or not at all concerned, about a significant portion of their workforce retiring in the near future. Thirty-five percent of respondents reported being somewhat concerned over the issue, while only 6% said they are extremely concerned.

*Percentage of respondents on how concerned they are about impending workforce retirements*

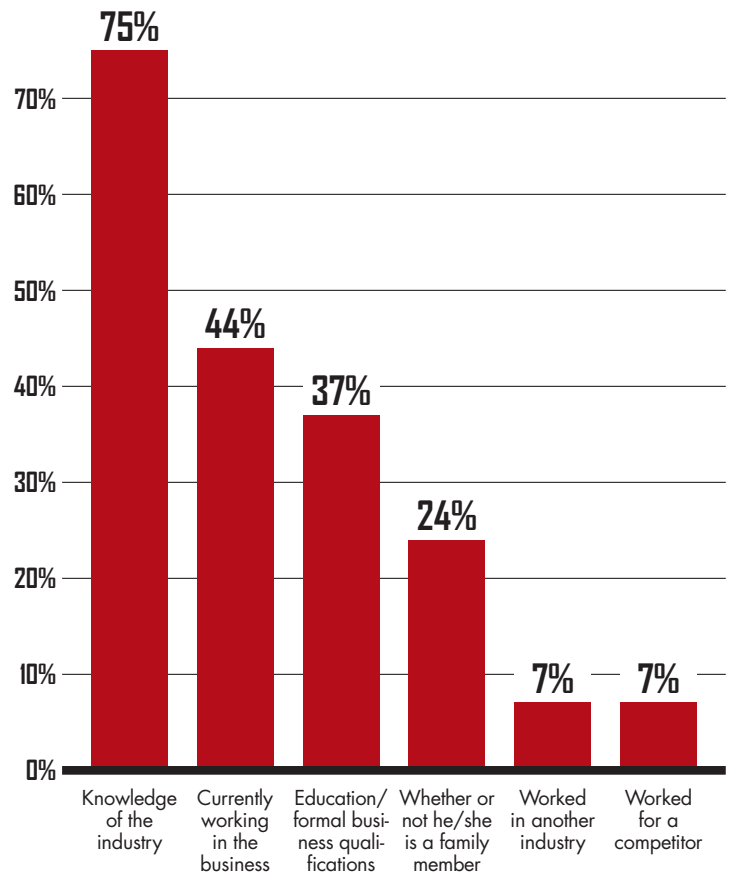


## Business succession considerations

13

As family businesses consider who will take over in the future, there are a number of qualities they would seek in potential candidates. Among the most important were knowledge of the industry (75%), whether or not the candidates are currently working in the business (44%), education and formal business qualifications (37%) whether or not the candidates are family members (24%), and whether they have worked in another industry (7%) or for a competitor (7%).

*Percentage of respondents on what qualities they would seek in identifying who will succeed their current management*

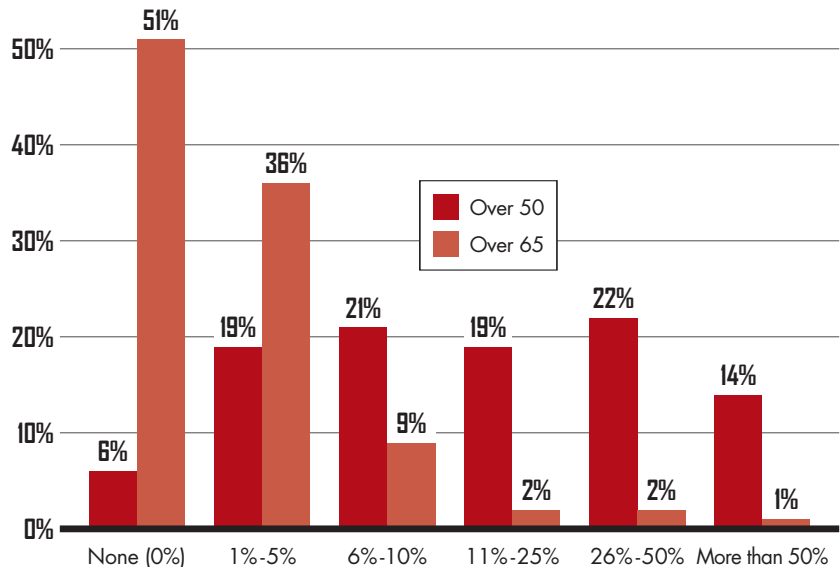


## Aging workers

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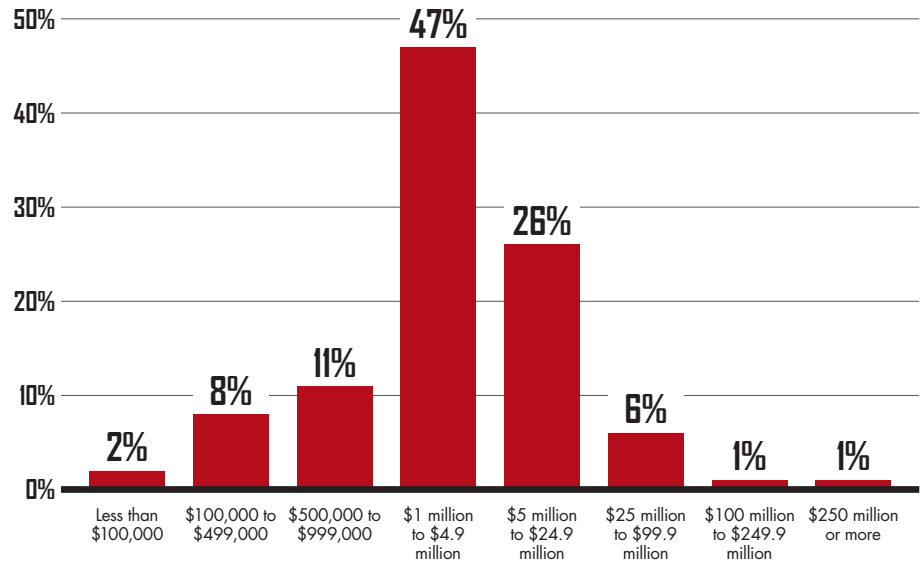
Many employees in Connecticut's family businesses today are 50 years of age or older. Forty percent of respondents said that up to 10% of their workforce is at least 50 years old, while 22% indicated that 26%-50% of their workforce is composed of employees aged 50 or older. Although the majority (51%) of respondents said they do not currently employ any individuals aged 65 or older, 45% said that between 1% and 10% of their current workers are at least 65.

*Percentage of respondents on what percentage of their workforce is over the ages of 50 and 65*



## Sales and revenue

**15** Respondents represented businesses with gross revenue and sales ranging from less than \$100 thousand to more than \$250 million. The majority fall somewhere in the middle, including businesses with gross revenue between \$100 thousand and \$499 thousand (8%), \$500 thousand and \$999 thousand (11%), \$1 million and \$4.9 million (47%), \$5 million and \$24.9 million (26%), and \$25 million and \$99.9 million (6%). Very few (2%) businesses earn gross revenues of more than \$100 million or less than \$100 thousand (2%).

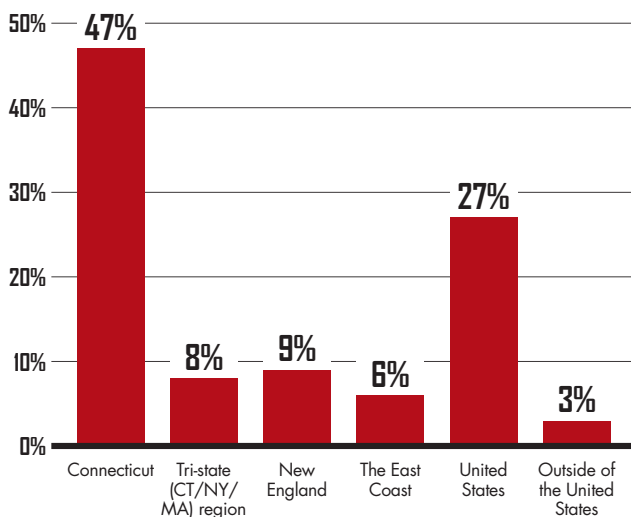


*Percentage of respondents on the gross sales or revenues their business realized in the most recent fiscal year*

## Significant customer bases

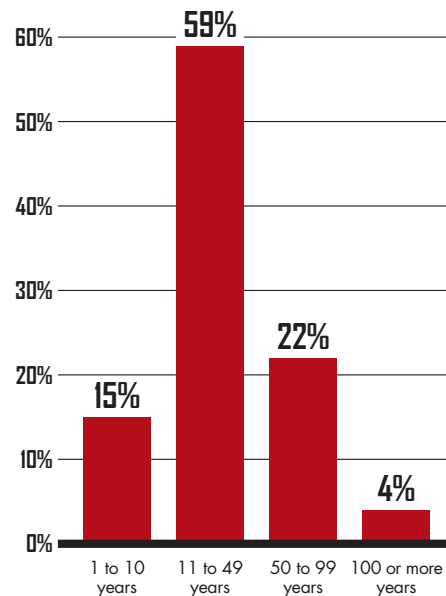
**16** The most significant customer bases for survey participants include Connecticut (47%), the tri-state region (8%), New England (9%), the East Coast (6%), within the United States (27%), and outside the U.S. (3%).

*Percentage of respondents on their most significant customer base*



## Business longevity

**17** The majority (59%) of businesses represented in the survey are well-established, having been in operation between 11 and 49 years; almost a quarter (22%) have existed for between 50 and 99 years and 4% for 100 years or more. Fifteen percent of respondents said their business is between 1 and 10 years old, and no businesses have been in existence for less than a year.



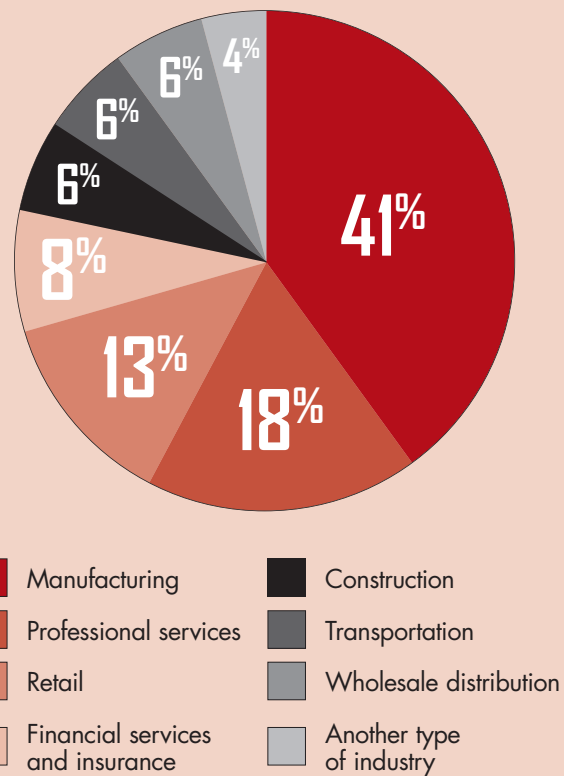
*Percentage of respondents on how many years their company has been in operation*

# demographics

Family businesses in a variety of industries are represented in this survey, including manufacturing (41%), professional services (18%), retail (13%), financial services and insurance (8%), construction (6%), transportation (6%), wholesale distribution (6%) or another type of industry (4%).

Responding to the survey were executives of businesses that have been in operation from one to 10 years (15%); 11 to 49 years (59%), 50 to 99 years (22%), and 100 or more years (4%). Respondents' businesses employ an average of 38 employees. Eighty-three percent of survey respondents have one business location in the state, 14% percent have two to five locations in Connecticut, and 3% have from six to 20 locations throughout the state.

Participants reported that their company's most recent fiscal year gross sales or revenues were between \$1 million and \$4.9 million (47%); \$5 million to \$24.9 million (26%); \$500 thousand to \$999 thousand (11%); \$100 thousand to \$499 thousand (8%); \$25 million to \$99.9 million (6%); \$100 million to \$249.9 million (1%) and \$250 million or more (1%). Two percent had gross sales or revenue of less than \$100 thousand.



# methodology

CBIA sent this survey to approximately 4,200 Connecticut businesses by electronic mail as well as members of the University of Connecticut Family Business Program. There were 641 returned surveys, for a response rate of 15%. The percentages quoted in this report relate to the number of respondents answering each question; thus the sample size for each question varies. In addition, all figures are rounded to the nearest whole number and may not total to 100%. The margin of error is +/- 3.9%.

# about CBIA

## Connecticut Business & Industry Association

CBIA is Connecticut's largest business organization, with 10,000 member companies. Our public policy staff works with state government to help shape specific laws and regulations to make Connecticut's business climate competitive and support job creation. Our councils, committees and roundtables give our members forums in which to become involved in the legislative and regulatory processes.

One of the most important functions of CBIA is to provide our members with information on topics that can help them better manage their businesses. We conduct training seminars and workshops; arrange for consulting services; and hold conferences on environmental regulations, health and safety, human resources, taxes, energy, health care, compensation, and benefits. Our telephone consulting service gives our members free access to our experienced staff of professionals on a wide range of business topics.

Many CBIA members take advantage of our employee benefits plans. They include an



innovative health insurance program as well as other insurance lines, retirement plans, a COBRA continuation program, an eyewear savings plan and group purchasing opportunities.

**Visit [cbia.com](http://cbia.com).**



# sponsor profiles

## University of Connecticut Family Business Program

Since 1995, the UConn Family Business Program has been dedicated to enhancing the success of businesses, families and individuals by providing exceptional resources and opportunities for collaboration. A member-driven initiative that is an integral part of the University of Connecticut's School of Business and the Management Department's Connecticut Center for Entrepreneurship and Innovation (CCEI), the Family Business Program offers a distinctive opportunity to learn about the unique challenges of family and closely-held firms from professionals and peers in an unbiased, confidential environment.

Our goal is to help family businesses develop strategies and policies that will serve to perpetuate family ownership while helping them make significant advances in functions related to business strategy, increased complexity, organizational structure, management practices, diligence and succession planning. These functions are supported through our many program offerings that give members an opportunity to explore critical market-points such as managing conflict, developing

a strategic plan, creating a shared mission/vision/values statement, enhancing communication, establishing compensation and incentive plans, striking a positive work/life balance, defining roles, integrating non-family managers, inspiring innovation, achieving structured growth and planning for retirement and beyond.

Our program accomplishes this through a multi-disciplinary approach that focuses on cause and effect of instituting best practices — and its impact on functions critical to successful family business stewardship. By leveraging our core body of knowledge (engaging in our peer advisory groups, family business speaker series, joint CBIA Web seminars and conferences; participating in our graduate solutions program; engaging in our PIECE program) we strive to give family firms the tools and guidance necessary to minimize conflict and maximize goal congruence along their individual paths — and to give them the confidence to make the best decisions possible for their businesses, their families and themselves.

In keeping with our goals, we continually develop speaker series, focus groups and experiential learning opportunities that are distinctively tailored for

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our members. Together, with the program's broad association with industry experts, academicians, researchers, and family business peers, we will chart a course for leadership and explore the fundamentals of successful family business stewardship. We promise that topics will be thought-provoking and complex, but we also promise to expose you to techniques and strategies that will improve the overall well-being of your firm and prepare your organization for management succession.

Employers in Connecticut are committed to their employees' ongoing education and training initiatives, and we remain committed to maximizing the companies' organizational health and well-being. Membership in the UConn Family Business Program represents an investment in a company's — and Connecticut's — future. To learn more about the UConn Family Business Program, please call or e-mail us. We look forward to helping you.

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**Visit [business.uconn.edu/familybusiness](http://business.uconn.edu/familybusiness).**

## Citizens Bank

Citizens Bank is a division of RBS Citizens, N.A., operating its seven-state branch network in Connecticut, Delaware, Massachusetts, New Hampshire, New York, Rhode Island and Vermont. It has 51 branches and 60 ATMs in Connecticut.

RBS Citizens, N.A. is a subsidiary of Citizens Financial Group, Inc., a \$159 billion commercial bank holding company headquartered in Providence, R.I. CFG's two bank subsidiaries are RBS Citizens, N.A. and Citizens Bank of Pennsylvania. They operate a 13-state branch network under the Citizens Bank brand in Connecticut, Delaware, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island and Vermont, and the Charter One brand in Illinois, Indiana, Michigan and Ohio. CFG has non-branch retail and commercial offices in about 40 states. It is one of the 10 largest commercial banking companies in the United States ranked by assets and deposits. CFG is owned by RBS (The Royal Bank of Scotland Group plc).

**Visit [citizensbank.com](http://citizensbank.com).**

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## Blum Shapiro

Blum Shapiro is the largest regional accounting and business consulting firm based in Connecticut and one of the largest in New England. We have over 200 professional and administrative staff, making us a consistent member of the top 100 accounting firms in the United States, as ranked by the major industry publications.

Our size has allowed us to develop specialized industry knowledge and dedicated staff in our primary service areas — privately held businesses, non-profit organizations and government entities. We continue to adhere to the same belief embraced by our firm's founders more than four decades ago — to offer customized services to meet our clients' individual needs. This belief translates into a commitment to provide every client with the personalized attention of a partner, specialized knowledge of the client's company and industry, and resources tailored to client needs.

### Privately Held Businesses

Our client base includes a broad range of businesses, including major concentrations of clients in manufacturing, distribution, construction, auto dealerships, health care, professional services and real estate. We enjoy close interaction with our clients and understand clearly that our true objective is to help the owners and managers of those businesses achieve their financial goals. Some of the customized service offerings for business

owners include entity structuring to maximize tax benefits, management and family succession planning, and estate and trust planning.

Our tax department includes more than 38 dedicated tax professionals, with specialists in state and local taxes, corporate and individual tax planning, estates and trusts, sales and use tax, and real estate cost segregation.

### Publicly Traded Companies

The advent of Sarbanes-Oxley legislation has changed the way in which accounting and auditing services are provided to publicly held companies. Blum Shapiro currently assists with Section 302, Officer Certification and Section 404, Management Assessment of Internal Controls. We additionally offer tax planning and compliance, including FAS 109 calculations, consulting and technology services and audits of employee benefit plans.

### Resources Available Worldwide

Blum Shapiro is an independent member of Baker Tilly International, a network of high-quality, independent accounting and advisory firms. Baker Tilly International is the 8th-largest network in the world by fee income and is represented by 126 firms in 93 countries. Firms within the network adhere to the same high-quality standards and share skills, resources and expertise to create best practices.

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## Our Major Client Base

- Manufacturing/Distribution/Retail
- Construction
- Auto Dealerships
- Health Care
- Real Estate
- Non-profit Organizations
- Independent Schools
- Municipalities and Government Agencies

## Process and Controls Consulting

- Sarbanes-Oxley Section 404 Compliance
- Internal Audit
- Corporate Compliance
- Information Technology Reviews
- Board of Directors Advisory Services

## Consulting Services

- Strategy and Operations
- CFO Advisory Services
- Business Performance Management
- CIO Advisory Services
- Compliance and Control
- Systems Integration
- SAGE and OutlookSoft Software
- Healthcare consulting

## Tax Services

- Federal Tax Planning and Compliance
- Executive Tax and Financial Planning
- Tax Structuring Related to Mergers, Acquisitions and Divestitures
- State and Local Tax Planning and Compliance
- Unclaimed Property Matters
- Real Estate Cost Segregation Studies
- Estate and Trust Planning
- IRS Representation

## Auditing and Accounting

- Audits, Reviews and Compilations
- Budgeting and Cash Forecasting
- Employee Benefit Assurance

## Litigation Services and Business Valuation

- Forensic and Investigative Accounting
- Business Valuation
- Bankruptcy and Insolvency
- Assessing Lost Profits
- Construction Claims Analysis
- Computer Forensics

*For further information on how we can assist your business, visit [blumshapiro.com](http://blumshapiro.com). Managing Partner Carl R. Johnson can be reached at 860-561-6819 or via e-mail at [cjohnson@blumshapiro.com](mailto:cjohnson@blumshapiro.com).*

# CBIA

**CONNECTICUT BUSINESS & INDUSTRY ASSOCIATION**

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