

Family Futures

By [Amanada N. Wegner](#) *Wed, Feb 29, 2012*

An economic force: Wisconsin is a good place for family businesses



In the United States, family businesses are a force to be reckoned with. And in Wisconsin, it's no different.

“In the U.S., about 80 percent of all businesses are family businesses. They generate about 60 percent of the gross domestic product and employ about 63 percent of all employees,” says Deb Houden, director of the UW-Madison Family Business Center, which provides education and networking for family businesses large and small.

“And family businesses in Wisconsin are equally as strong and extremely important. Some of our biggest companies — Johnson Wax, Menards, Ashley Furniture and Schneider Trucking — are all family-owned.”

Wisconsin's strength as a family business state is based in its traditional industries, including farming and ancillary industries, such as cheese making, manufacturing and tourism.

“Traditionally, Wisconsin is a very strong family values state, which lends itself to working together through tough situations. Some of our larger businesses here are family businesses, which really points to the fact that we have such a strong culture,” says Houden.

To highlight Wisconsin's strong culture, leaders of three family-owned businesses, including one start-up, one medium-sized manufacturer, and one large national business, discuss what it takes to keep a family business successful from one generation to the next.

green 3

As an honoree on the inaugural Wisconsin 30 Companies to Watch list in 2010, Oshkosh's green 3 is making a name for itself in the apparel industry, with the husband-wife team of Sandy and Jim Martin leading the way.

The company designs and sells comfortable and stylish organic apparel to specialty retailers and catalog companies.

After leaving the corporate world to spend more time with her family, Sandy Martin, who had traveled the world as a brand manager for Kohl's, found herself frustrated with the lack of ingenuity and environmental awareness in the apparel industry. In 2005, she decided to start her own business. When her husband left his job at Oshkosh B'Gosh after Carter's purchased the company, he joined his wife at green 3. Together, they have more than 50 years of experience in the apparel industry.

The company has experienced exponential and steady growth every year, with 2011 being its best year for sales to date. They also opened a retail store at 2325 State Road 44, Oshkosh. The company has products in 600 specialty stores coast to coast and has about a dozen different catalog retailers. Though the company is young, the idea of moving into the next generation is a welcome one.

"It's not just about building a business, but a legacy for your family," says Jim Martin. "The idea that a successful company can transcend the life of the people who started it is fascinating and interesting to me, and if we can move it to the next generation and the next generation after that, that would be great."

The next generation for green 3 is the Martin's daughter, Rachael, a junior at UW-Madison who is studying apparel design. (The name "green 3" honors the three members of the Martin family.) But the couple isn't in a rush to get their daughter involved in the daily operation of the business.

"We both feel strongly, as does she, that initially it would be best for her to go out and work for other people, gain perspective and get a different point of view ... something not so homegrown," says Jim Martin. "Would it be amazing? Yes, it would be amazing, but we all feel collectively that she has opportunities to go somewhere much bigger than what we are. If she wants to come back and run the show, that would be great."

Endres Manufacturing

A long and active transition period is what is moving Waunakee's Endres Manufacturing into the fourth generation.

The company was founded in 1926 by Lawrence Endres Sr., an inventor who found success manufacturing goods for which he held patents, including a disc sharpener, folding drawbar and doorknob handles. His son, Larry Endres Jr., started in the business at the young age of 6, and eventually took over and secured Endres Manufacturing's lot in welding and the structural steel industry.

Today, Endres Manufacturing employs about 45 people, and is known as a structural steel fabricator and a major supplier for general contractors in Dane County, having worked on the Wisconsin Institutes for Discovery and UW-Madison's new biochemistry building. At present, the company is providing steel beams and framework for the expansion of Madison Area Technical College's Truax campus.

In 1990, Ken Ballweg, who married into the family, took over as president. (His wife, Diane Endres-Ballweg, is president of the company's charitable arm, EMC Foundation.) In the last year, he has aggressively been sharing his knowledge with his son, Sam Ballweg, preparing him to take over the company.

"He's more aggressively handing off the company now," says Sam Ballweg, who came on full-time in 2004. "That's always the hardest part, getting the oldest generation to step back. He's always said [the company] is his first child. That's a challenge and something we've been working on."

Working with the Family Business Center and outside consultants, the father-son duo are working to make the transition to the next generation easier by getting things in writing and actively planning for the succession, a luxury not afforded in the prior handoff.

Communicating outside the workday is also critical to moving Endres Manufacturing into the next generation. The Ballwegs go to lunch almost every day, where Sam Ballweg has the opportunity to ask his father about things that happened during the day and why he responded the way he did.

“The plan and formality is definitely new,” says Sam Ballweg, referring to the family’s business succession plan. “Ken and Larry did it off the books and Ken gradually took over during a 20-year span. The combination of formal and informal, on the books and off, has been very helpful to me in this transition. He lets me make mistakes and learn from them. Business owners who don’t have that relationship and ability to communicate, and the willingness to let others learn from their errors, are at a disadvantage.”

Culver’s Franchising System

When you have about 17,000 employees and 446 locations around the United States, it’s hard to argue against this statement: There’s a competitive edge to being a family-owned business.

“I’m sure some people would argue with me,” says Craig Culver, co-founder and CEO of Culver’s Franchising System, “but I believe it.”

That competitive edge is what kept Culver from making an ownership change about five years ago. “We looked at becoming a public company or selling a piece to a private equity company,” says Culver. “But the more I thought about it, the more I said, ‘I can’t do this.’ First of all, I love what I do. I love this business, the franchisees and my team members, and I want to continue to be part of that.”

Culver’s history is a long and interesting one. Craig Culver began his family-business career at the age of 11 when his parents, George and Ruth Culver, purchased an A&W in Sauk City. While he was determined not to work in the restaurant industry or family business, Culver went to work for McDonald’s after graduating college. Culver caught the entrepreneurial bug, and with the help of his father, he bought back the A&W that the family had first purchased in 1951. After some serendipitous business exchanges, the A&W was christened Culver’s Butterburgers and Frozen Custard in July 1984 with four co-founders, Craig and Lea Culver and Ruth and George Culver.

Craig and Lea are the only two Culvers who work in the business day-to-day. Craig’s brother and sister are stockholders, as are his three daughters. By being stockholders, observing the workings of the company’s board of directors and attending Culver’s annual convention for franchise partners, he wants his daughters to learn as much about the business as possible.

Because many Culver’s restaurants are also family-owned, developing leaders to successfully move all levels of the company to the next generation is an important topic for Culver. “My intent,” says Culver, “and my children know it, is to remain a family-owned business. My franchisees know it, too.”

What allows Culver to be successful in his desire to remain a family-owned business is a focus on people. “Product is important, don’t get me wrong, but it’s the people aspect that’s the most important part.”

By [Amanada N. Wegner](#)

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