



THOUGHT LEADERS

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It's been an era of tremendous disruption for everyone from families to businesses. Sometimes – in the case of family businesses – the complications of Covid-19 pandemic are compounded.

A mix of family-run business leaders in Buffalo gathered Feb. 11 via videoconference to discuss the process of leadership to successive generations. The roundtable Thought Leaders discussion was hosted by Hodgson Russ LLP attorneys Catherine Eberl and Kevin Talbot.

Sometimes that means a black-and-white photo staring down from a wall. Sometimes it means talking things through with your parents or siblings.

And sometimes, in the case of Lina Kennedy, it means two daughters and the company's second-generation.

Kennedy is CEO of Alexandria Professional, a sugaring hair removal business that has grown from a small salon to a multi-million manufacturer. The pandemic affected everything from retail sales to the supply chain. Kennedy said the different skillsets of her daughters contributed to the company's momentum. But when the pandemic struck, she found herself managing their concern for her along with vast operational and strategic challenges.

"With my children, the hardest thing is seeing their mother upset, because their protective sides come out," Kennedy said.

It was a familiar experience for those on the panel, who included Elizabeth Galanis-Miller, director of sales and marketing, Sealing Devices Inc.; Laurie Irish Jones, CEO, Irish Welding and Irish Propane; Jennifer Murphy, president, NetPlus Alliance; and Edward Walsh Jr., CEO, Walsh Duffield Cos. Inc.

Along with his three cousins, Walsh is a fourth-generation leader of the firm, which has three offices and more than 100 employees, and where his son-in-law Sean Keenan is now president and COO.

"We have learned over time, and maybe part of it was the transition between our dads and the four of us, was that we needed to make sure we weren't making family decisions, that we were actually making good business decisions."

Galanis-Miller, who has been mentored by her father and company CEO Terry Galanis Jr., said the high emotions of being a rising generation in a family business is a familiar spot for her.

Sometimes she wanted to push through business strategies faster. Sometimes she needed to learn through experience. But at all times, when they sit down to a meeting at Sealing Devices, the emotional bond between father and daughter is set aside.

"It's very, very important that you keep it separate," she said. "We've had discussions where I've gone to the office and been upset about something and he'll say, 'I hate to see you upset but you have to go



FAMILY-RUN BUSINESSES IN BUFFALO

Working with family members can be a tough assignment. These CEOs say the key to tranquility is separating personal from business. And communication.

"Our manufacturing clients, the ones that we're seeing are most successful, are the ones moving faster toward e-commerce. That's an important consideration. Whatever changes we were seeing in the marketplace over the next five to 10 years have been greatly accelerated by what's going on now."

KEVIN TALBOT, Partner, Hodgson Russ LLP



WITH ELIZABETH GALANIS-MILLER, LAURIE IRISH JONES, LINA KENNEDY, JENNIFER MURPHY, EDWARD WALSH JR.



“I learned from my father, and he learned from his great uncles, that the better you treat your employees the harder they will work to serve your company.”

JENNIFER MURPHY, President, NetPlus Alliance



“We’ve been really blessed that we’ve been able to come together and create all these new revenue streams, these new sources of income, and they’re not going away. So we can only be stronger from this.”

LINA KENNEDY, CEO, Alexandria Professional



“I’m at a point in my career where I am loving this moment because it’s a great transition, and my excitement is celebrating the successes of the next generation.”

EDWARD WALSH JR., CEO, Walsh Duffield Cos. Inc.



“I wonder if all leaders are optimistic because they see the possibilities, even when faced with really challenging times. What we have done is lean into each other and say, ‘We know we can figure this out.’”

LAURIE IRISH JONES, CEO, Irish Welding and Irish Propane



In my practice, where this comes up most often is the succession piece of it. It’s ‘When we’re ready to move on to the next generation, how do we do that? How do we set it up?’ It involves a lot of conversations around trying to understand the family dynamics, where people’s strengths are and where they fit.”

CATHERINE EBERL, Partner, Hodgson Russ LLP



“The pandemic really reaffirmed to people that we are the type of company that people want to work for, want to be part of. We definitely treat everybody like family.”

ELIZABETH GALANIS-MILLER, Director of sales and marketing, Sealing Devices

through it. You have to experience it.”

Irish Jones runs Irish Welding and Irish Propane with three of her sisters whom she said are outgoing and tight-knit. But there is a longstanding policy of separating business and family time.

“We can wear our emotions on our sleeves, but sometimes I have to dial it back and say, ‘Wait a second, I don’t want to react emotionally to this,’ she said. “I know that if I’m really upset, they’re going to react to that.”

However stable companies have been in the past, the pandemic has thrown entire industries into flux, creating the need for rapidly deployable strategies. Jennifer Murphy, president of NetPlus Alliance, said that the transition of company leadership from her father took place over a five-year period.

Murphy witnessed new ideas bubbling up from younger generations of small- and mid-sized businesses.

“People were suddenly forced to listen to younger people who were telling them that they needed, for instance, to take on an e-commerce platform,” Murphy said.

Eberl, a partner at Hodgson Russ who works on estate and trust income tax issues, said her work with family businesses often involves succession. The question of whether and when a rising generation is ready for full control is common, and companies should lean on outside expertise. That could include attorneys but also advisers with different specialties.

“You need someone who can be a mediator in the conversations and have the perspective of, ‘This is how other people have done it and it’s worked for them,” she said.

Talbot is a Hodgson Russ partner who specializes in mergers, acquisitions and corporate transactions. The quality and clarity of communication between parents and children is often the differentiator in smoothly run family businesses.

“When I think of the attributes of a successful business I think of communication,” he said. “Then sometimes there is a value in having an accountant or an attorney or a business attorney come in and say, ‘This is how we see people address these issues.’ Then they can step back and understand what’s best for the company and for those relationships.”

► CLOSER LOOK AT THOUGHT LEADERS

Thought Leaders is an ongoing series of discussions with Western New York business leaders and attorneys at Hodgson Russ LLP.

Ten times a year, leaders in diverse industries meet for a roundtable discussion moderated by Business First journalists.

The conversations are usually held in the law firm’s Pearl Street offices in Buffalo, but have shifted to a virtual format during the Covid-19 crisis.