

The Apple Doesn't Fall Far from the Tree in Lamorinda's Intergenerational Family Businesses

By Virginia Fox

Customers and clients referring their children and grandkids in a stream of loyal patronage --Siblings, grandkids and parents working together -- Work ethics and customer service passed down through the generations.



The Strokes Family, Diablo Foods



The Kosich and Callahan Family, Kosich and Callahan Insurance services



Sarah & Dan McDonnell, McDonnell Nursery

Looking behind the scenes at three of Lamorinda's intergenerational family businesses, Diablo Foods and Kosich and Callahan Insurance services in Lafayette, and McDonnell's Nursery in Orinda, we see how three businesses are beating the odds for decades of success and family harmony.

The engaging photo of five year old Charlie Stokes on the office shelf of Diablo Foods founder Ed Stokes suggests she'll have many opportunities to be what she wants when she grows up. But if she follows the footsteps of her Grandfather and Grandmother, Mother and Father, Aunt and Uncle and Cousins, Charlie will one day find her place working in Diablo Foods, Lafayette's premium independent fine foods market. And she'll start working behind the scenes as soon as she is old enough to help.

Growing up in the business gives everyone a chance to see if they think they want to make it a lifelong job and in many cases it's a natural fit from those early years.

"We're all ridiculously close," laughs Stokes daughter, Connie Collier, who joined the staff ten years ago and is a partner with her brother, Dan, who is V.P and General Manager and in line to replace his Dad if he ever steps down. Fondly recalling the years of working behind the scenes in many positions, Collier's family now dubs her the "Buyer of Foo Foo La La," responsible for housewares, health and beauty items and local specialty products you can't get anywhere else along with hundreds of donations in response to community requests.

When the Kids Join in the Fun

With the picture of his Dad, Walter, looking down in the conference room at Kosich and Callahan Insurance Services in Lafayette, there's no doubt who was Ken's mentor. Growing up with both parents in the insurance business since 1946, Ken Kosich thought of being a lawyer but changed his mind when he realized the required number of years in school. He joined the firm after graduating from Chico and has been running the office since 1986.

Ken always thought his son, Greg, would join the firm. "He'd heard a lot about the business at the kitchen table growing up," Ken says. When Greg came to him after graduating from the University of Santa Clara and asked to join the firm, Ken wasn't surprised.

Greg says having a good relationship with his Dad helps in and out of the office. Greg enjoys being able to ask his Dad how to handle situations and knows he'll get an honest answer. "I'm trying to pass along what I've learned from my own Dad now," says Ken, "to have an open mind, try out new ideas, and encourage Greg to express his opinions."

Following in the footsteps of his Dad, Dick Callahan joined Metropolitan Life Insurance as an agent and in 1999 met Ken Kosich. A handshake agreement formed Kosich and Callahan, two companies under one umbrella offering a broad range of insurance services.

Familiar to many as the stadium voice of the Warriors and St. Mary's basketball, Callahan says "When I met Ken I knew I'd scored a home run."

Not everyone jumps into the family business without thinking about other options and in some cases, getting work experience first in other places.

Callahan's daughter, Colleen, worked as a teacher for five years before deciding to join her Dad. Her decision came as a total surprise to her family. "If

I'd accepted all the bets from people who said it wouldn't work I'd be very rich by now," she says. Seventeen years later, Colleen has earned her own reputation as a seasoned professional designing employee benefit packages, long term health care, and in her spare time producing and hosting a TV show that showcases local non-profit agencies.

Connie Collier says she'll never forget when her son, Daniel, surprised her on his return from living abroad to announce he wanted to join Diablo Foods. "He had a great offer from a San Francisco financial firm which we thought he'd pursue on his return," she says. For Daniel, the decision was the best he ever made. "I realized when I was away how much Diablo Foods was a part of my life," he says. "I love the pace and the variety of things to do. It's a decision I've never regretted."

For Sarah McDonnell of Orinda's McDonnell Nursery, a family business started by her Grandfather in 1933 in Oakland, after working for years behind the scenes in their Moraga Way location she knew she loved the business. "I wanted to get more experience," she says, "and I wanted to make 100% sure if I joined my Dad, who's been running the business since 1980, that it was right for me."

After getting a Business degree from Cal Poly in Agricultural studies and an MBA from St. Mary's, Sarah moved to San Francisco and worked for a graphic design firm. "I didn't want to see the nursery leave the family," she says. "I never felt any pressure from my Dad to join him. The decision had to come totally from me and it did. When I told him I was ready, he said, "When do you want to start?" open soon with an expanded Deli).

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The Challenges

As harmonious as it all sounds, these business families cited several areas as needing careful attention. New ideas recommended by family members joining long running intergenerational businesses don't often meet with enthusiastic reception. Smooth transitions are worked out while exercising caution when bringing in new family members, and include consideration of the impact on the rest of the employees and on loyal customers and clients.

When Dan Stokes wife, Siobhan, decided that the Floral Department needed improvement, she offered to come in and give it some attention. Within a short time the department was honored by Floral Management magazine. "I was a little nervous having my wife coming in and telling us what to do," he says. "But she worked with us for eight years and made us all look good."

Kosich and Callahan agree a smooth transition depends on going slowly, staging interviews between new team members and clients and allowing time to help new relationships form.

Joining Dad had a few struggles at first "like any family working together," Colleen Callahan says. "You have to be sensitive to different management styles and generational experiences, along with men and women's perspectives. "We had our ups and downs in the beginning as we adjusted to roles of Agent and Boss from Daughter and Dad."

Younger generation family member all admitted the need to prove themselves to non-family employees comes with added pressure. Requirements of working hard for the same or more hours in many positions, learning every area and knowing it takes time to earn respect were echoed by everyone.

Different generations often look at ideas from very different perspectives. At Diablo Foods, Dan Stokes is eager to put in a Sushi Bar and introduce new food products to satisfy changing customer food tastes. His Dad, Ed, says, "I'm not in favor of it and they know it." With Ed it's clear, his opinions may be strong, but not irreversible, and he proudly points out his Daughter, Son and Grandson run the popular food store and he stays away from meetings about controversial ideas like the new Sushi Bar (scheduled to open soon with an expanded Deli).

With Sarah McDonnell's previous marketing experience, she's created the first website for McDonnell's Nursery, branded the nursery with a graphic logo now embroidered on employees' shirts, and she's instituted customer rewards programs and educational workshops. Embracing new ideas, when the old ones "work just fine," is a challenge for her Dad. "She wants to put in a POS system but I'm resisting," he says. "I don't want anything that might take away from customer service and make our customers a number."

Looking Ahead

All three businesses have succession plans in place and agree that passing along the legacies that launched their successful family businesses is integral. Work ethics and personal customer service rank at the top of everyone's list as to what sets them apart from their competition as well as

being able to easily adapt services and products to meet changing needs.

Sarah McDonnell says many of their customers are first time gardeners and need education on what plants suit their settings. She urges her nursery staff to take whatever time is necessary to ensure customers know how to maintain green and growing gardens.

Greg Kosich, who will take over his Dad's insurance services someday, he says he won't change anything but may introduce technology, update procedures and institute time saving policies. "I grew up with technology," he says. "I wouldn't change much but if I can find a way to save five minutes with a more efficient system, I'll do it."

Will succession come easily or quickly?

Starting with a few days off and a few more golf games, transitions most likely will come slowly with no pressure from younger generations. Ed Stokes and his family hope it won't be anytime soon. "He's our spark plug, the engine that runs our machine," says his son Dan. As for Ed, he says he loves their customers so much he hates to be away from the store.

When Dick Callahan thinks about stepping down, he says he's worked for forty years and he's not ready: "I still feel like a kid in a candy store."

There may be no set time yet for retirement, but with all the harmony, congeniality and respect, one thing's for sure. The apple didn't fall far from the tree. The products may change, but the service and attention we enjoy today will stay just the way we like it.

Colleen Callahan's Tips for Success in Intergenerational Family Businesses

1. Agree there are times to wear different "hats" and clarify your needs before a discussion. (e.g. "I need a Dad's advice" or "I need you to be a sales agent." This helps to separate the roles for getting targeted answers.)
2. Schedule time outside of work to get together when work related topics are not allowed. Family trips, outings or gatherings for example.
3. Transition the business management/ownership when the senior person is ready and desirous of giving up the leadership role. The junior person taking over may be ready and eager earlier, but should not "grab" the reins before the older generation is prepared to let go.
4. Have a clear and concise timeline of when a succession/transition will happen, how you will handle the change and what the roles will be.



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Gerard Rose Makes Move with Dodge

Former Butler-Conti Dodge sales professional moves with franchise

WALNUT CREEK, CA—Gerard Rose served Butler-Conti Dodge's loyal customers for over 14 years. The news of the dealership closing came as a shock to him because Butler-Conti had been an integral part of Lafayette and the surrounding community for years. Fortunately, the Dodge franchise found a new home with another longstanding member of the community: Michael Stead's Walnut Creek Chrysler Jeep.



Gerard Rose can offer his clients even greater prices and benefits now that he is at Walnut Creek Chrysler Jeep Dodge.

"If it were not for Stead's tremendous reputation in Contra Costa, I might have looked elsewhere," confessed Gerard. "As it turns out, I now have the opportunity to continue serving my former clients, work with some great new clients, and offer them all some services I wasn't able to in the past."

Now officially Michael Stead's Walnut Creek Chrysler Jeep Dodge, the dealership is an award-winning business with a state-of-the-art Service Center and a much larger inventory of vehicles than Gerard was able to offer at his prior location.

"I love the Dodge product, and they have some fantastic new models," shared Gerard, "but I'm really impressed with the Chrysler and Jeep lines."

"Walnut Creek Chrysler Jeep Dodge is allowing Gerard pricing incentives throughout August"

Walnut Creek Chrysler Jeep Dodge's General Manager, Judy Dobbert, wasted no time in making sure Gerard felt secure in making the move. "We made him a Fleet Manager, which gives him significant control over how he prices vehicles for his clients."

To welcome Gerard's clients from his days at Butler-Conti, and to introduce him to his new customers, Walnut Creek Chrysler Jeep Dodge is allowing Gerard pricing incentives throughout the month of August. Please feel free to contact him with any questions at his new location.

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