

Massachusetts

WINTER 2014

# FAMILY BUSINESS

## WHAT CAN WE LEARN FROM MARKET BASKET?

*Inside:*

The 2014 Family Business Awards

Official magazine of the  **FBA**  
FAMILY BUSINESS ASSOCIATION

## 12 LESSONS FROM MARKET BASKET

The much-chronicled supermarket takeover expanded the definition of “family-owned.”

- 4 from the board  
Try, Try Again
- 5 business profile:  
kaplan construction  
Passing The Torch After Nearly 40 Years
- 8 war and peace  
The Secrets To A *Happy* Family Business
- 10 putting anger to good use  
Don't Get Mad: Get Productive
- 16 **2014 Family Business Awards**  
Highlights And Profiles Of This Year's Winners
- 21 learning lessons  
Take-Aways From A Very Public Family Fight



# The House that Kaplan Built

## Changing of the Guard in Brookline



Jane Kaplan Peck, Nathan Peck, Cathy Kaplan and Ken Kaplan.

By Christina P. O'Neill

With money received as a wedding gift, they bought a table saw and a used filing cabinet. Their first job was the interior renovation of a cheese shop up the street, whose owner they knew. Thirty-eight years after the 1976 founding of the company, now named Kaplan Construction, Ken and Cathy Kaplan have handed the reins to the next generation – their daughter, Jane Kaplan Peck, and Jane's husband, Nathan Peck.

Ken has become chairman of the board and Cathy has become senior advisor ("emeritus," she terms it). Jane, who joined the company as an employee in 2006, is majority owner and COO; Nathan, who joined in 2012, is president.

The transition was planned for seven years, and launched three years ago. Ken and Cathy had requested that Jane and Nate get at least five years' experience outside the family company before joining, and the younger couple, now

married for nine years, both have years of industry credentials on the outside. Jane was an assistant project manager at Shawmut Design and Construction and a project assistant/analyst at Leggat McCall Properties, and Nate was senior project manager for the Boston office of Turner Construction. Jane and Nate are also active members of trade associations and nonprofits.

Nate has brought in new technolo-

Continued on page 6



**The Brookline Teen Center, built on the site of a former gas station, serves middle school and high school students with non-school activities.**

Continued from page 5

gies, including building information modeling (BIM), which provides digital imaging of physical and functional characteristics of projects. Jane's lifelong construction industry experience and her professional activity strengthen the financial and operational side. The company is a member of the Associated Builders and Contractors, and Jane serves on the board of trustees for ABC's Massachusetts Workers' Compensation Self Insurance Group, among other affiliations.

### **If You Lived Here, You'd Be Home by Now**

There is also the personal side of the story, starting with the working relationship that Ken and Cathy have established with their hometown of Brookline, which abuts six other distinct Boston neighborhoods, and it's a high-density, pedestrian-friendly mix of old and new.

An example is the Brookline Teen Center. Kaplan Construction provided years of pre-construction planning to develop the 12,000 square-foot center, which offers out-of-school activities for Brookline's teens in grades 7 to 12. Built on the site of a former gas station, it's now an old tech/new tech social oasis.

### **Nate and Jane decided to join her parents' firm rather than continue their career trajectories with bigger firms.**

Cathy said that early on, she and Ken deliberately set up office space within walking distance of home so they could put more of their energy into the business.

Not everyone can do this – at this point in Massachusetts' real estate market, it may be the real estate equivalent of advising kids to choose their parents

well – but it seems to be a strategy that should be considered by family-owned businesses doing intergenerational planning.

"People our age are starting to retire," said Cathy, noting that she remains in touch with many of the former staffers who have worked the front desk over the years.

Ken and Cathy watched Nate and Jane renovate first a condominium and then a house, and that seems to figure into the chemistry between the two generations as much as the younger couple's outside work pedigree.

Nate and Jane decided to join her parents' firm rather than continue their career trajectories with bigger firms. For both, it was the opportunity to lead a company in which they have an ownership stake, and not have to start from scratch.

### **Getting through the Tough Times**

The construction business goes

through peaks and troughs, including the most recent recession, which began during the financial crisis.

The company is run “very conservatively,” said Cathy. During bad economic cycles, it relies on bonuses rather than high salaries. Key employees have been willing to take pay cuts and furloughs, with some temporarily going part-time. But slump time has also presented an opportunity for key employees to take the time to become LEED-certified, a work-intensive process that has long-term good results.

The family’s first accountant, Tom Feeley, partner at Feeley & Driscoll, confirms this. He met with Ken and Cathy in their kitchen more than 30 years ago; Jane, aged six months, was present at the time. More recently, last summer, the new partner from Feeley & Driscoll, Justin Amico, met at Jane and Nate’s kitchen table; their two young children were present.

Feeley said the company evolved over a period of time from residential to commercial jobs and was able to get repeat business. Tom characterizes

Ken and Cathy as focused and smart, with a talent for attracting and retaining younger people early on, and that many of those recruits remain today as key people. Their business outlook was

Inc., has served Kaplan Construction for its insurance and bonding needs since Kaplan’s early years, when Adam’s late father headed the agency.

“They understand what the insurance

**There is also the personal side of the story, starting with the working relationship that Ken and Cathy have established with their hometown of Brookline.**

conservative in that they did not over-extend, and their specialty approach in the 1970s through the 1990s served them well, he indicated. A rough patch came from 1988 to 1992, with developers going broke, he said – a situation worse than the more recent recession. But during that earlier time, the company built relationships with clients that would serve it well. When the most recent development surge started, the company’s relationships, built over decades, were remembered in the development community.

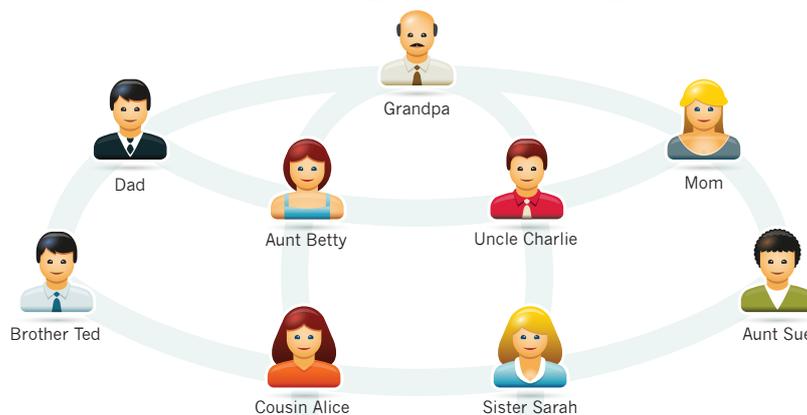
Adam DeSanctis’ Woburn-based company, DeSanctis Insurance Agency

and surety carriers need to continue to provide the programs that allow them to operate their business in today’s construction market, and they respond to those needs accordingly,” he said. “It was that understanding of those needs that helped them sustain their ability to bond sizeable projects, in the tough construction climate of a couple years past. Kaplan focused on maintaining consistency, and it has paid dividends.”

CHRISTINA P. O’NEILL IS EDITOR OF MASS. FAMILY BUSINESS MAGAZINE. SHE MAY BE REACHED AT CONEILL@THEWARRENGROUP.COM.

The attorneys of Tarlow, Breed, Hart & Rodgers have helped hundreds of family businesses to thrive and prosper. Our experience and knowledge help companies with deep family roots to continue to grow from one generation to the next. For help in managing a successful future for your family’s business contact Ed Tarlow, Chairman of our Family Business Practice Group, at (617) 218-2011, or via email at: etarlow@tbhr-law.

## If this is your family tree...



## We should be your law firm.

**TARLOW BREED  
HART & RODGERS, P.C.**  
*Counsellors at Law*  
Family Business Practice  
617.218.2000  
www.tbhr-law.com