



Tomas Ovalle / The Fresno Bee

Olga Martinez: Occupation: Owner of Allright Diversified Services, a Fresno-based, multi-million-dollar construction company. Tragedy: Suffered a ruptured brain aneurysm. Succession plan: A family member, employees and even a few clients stepped in to help run her business.

Steering the ship

Companies that suffer sudden tragedies can suffer if a plan isn't in place to stay on course.

By Robert Rodriguez / The Fresno Bee

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Olga Martinez hoped the dizziness and nausea would go away.

The owner of a Fresno-based, multimillion-dollar construction company was looking forward to a relaxing day at a spa with a friend.

But Martinez didn't make her spa appointment or much else after that. The dizziness and nausea were symptoms of a ruptured brain aneurysm, the abnormal bleeding of an artery in the brain.

In a matter of hours, Martinez was being flown by helicopter to the UC Davis Medical Center in Sacramento where surgeons worked to keep her alive.

A year later, Martinez says, "I didn't understand how I could get so sick, so fast. But throughout it all, I always believed that the doctors could fix it. I didn't realize until later that I could have died."

Martinez still had a business to run. But while she spent two weeks in intensive care, doctors gave her strict orders to disconnect herself from work.

A family member, employees and even a few clients stepped in to help run her business, Allright Diversified Services.

Business experts say she was lucky. Tragic events can strike the leader of any business and cause uncertainty for the company, employees and customers. Experts say there are steps to take to help business weather the loss of its leader.

Among the most frequently cited suggestions is the need for a succession plan. In its simplest terms, the plan lays out who will take over if a company's leader dies or is incapacitated and how the business will be run.

A 2007 nationwide survey by the University of Oregon found that fewer than 30% of family business owners have a succession plan.

"We are talking about things like who has the key to unlock the door, who will talk to the employees, all those kinds of things," said Caroline Berry, a family business consultant based in Dinuba. "Succession plans also help people prepare for what you need to do in the first 24 hours, the first week and the first month."

George Vozikis, director of the Institute for Family Business at Fresno State, advises business owners to think carefully about the backup plan, especially in a family business.

"In order for that plan to be effective, the family has to be satisfied that the owner has chosen the right person for the job," Vozikis said. "Otherwise, conflict could develop right away."

Debbie Hunsaker, owner of Alert-O-Lite, a Fresno company that provides traffic control signs for construction projects, understands the problems involved.

Her father, Eddie Hunsaker, died in 1992 of cancer without naming a successor, despite having several of his children in the company.

"He didn't want to make that decision," Hunsaker said. "He wanted us to decide amongst ourselves, and that was tough. He had no will, no partnership agreement."

Hunsaker said the family met and determined that she would lead the operation.

Hunsaker, who had been handling the company's financial and legal affairs, was thrust into an unfamiliar role as company president.

Lenders and customers were worried, but Hunsaker said, "There was a tremendous respect for my father, so much so that many of his clients were loyal to him and the company. They didn't leave us."

Having good business relationships and trusted employees are important tools that can help a business bounce back from a tragic event. A go-to person can be critical, especially for a business not run by family members.

When Rita B. Hill died in a car crash in 2001, her employee Nancy Lockwood stepped in to help run the Visalia-based marketing and public relations firm Rita B. and Co.



John Walker / The Fresno Bee

Debbie Hunsaker: Occupation: Owner of Alber-O-Lite, a Fresno company that provides traffic control signs for construction projects. Tragedy: Her father, Eddie Hunsaker, died in 1992 of cancer without naming a successor. Succession plan: Hunsaker's family met and determined that she would lead the operation.



Christian Parley / The Fresno Bee

Nancy Lockwood: Occupation: Owner of Lockwood Agency, formerly Rita B. and Co., a Visalia-based marketing and public relations firm. Tragedy: Rita B. Hill, owner of Rita B. and Co. was killed in a car crash in 2001. Succession plan: Lockwood, a copy writer and Hill's trusted second in command, stepped in and later bought the company from Hill's husband.



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Olga Martinez says she's learned a few lessons about herself and her company after her illness. She works slightly less now and delegates more often.

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Lockwood was a copy writer and Hill's trusted second in command.

The new role proved challenging.

"Rita was such a force and a recognized leader that it was scary thinking about stepping in her shoes and keeping the company going," Lockwood said. "But I also knew that she would not want us to close the doors and have us all lose our jobs."

Lockwood learned to be more visible and involved in the community. And a year later, she bought the firm from Hill's husband. She has since renamed it the Lockwood Agency, a decision she said wasn't taken lightly.

Lockwood and her 10 employees had a staff retreat where the name change was discussed.

"There was so much emotion attached to the name Rita B. and Co. that changing it felt like we would be letting her go again," Lockwood said. "And it feels kind of weird and arrogant to name it after myself. But enough people told me it was time."

While Lockwood met the challenge, other companies have struggled trying to go forward after losing their top leader. Family business expert Vozikis said companies can protect against the loss of a key person with insurance.

Such policies name the company as the beneficiary and provide cash flow to keep the company operating while it finds a replacement.

John Martin of Principal Financial Group in Fresno, an insurance and financial services provider, said deciding whether to buy a policy depends on a company's financial needs.

"If you have a lot of cash flow and the owner is out playing golf all the time, then the business is probably going to survive without him," said Martin, who specializes in retirement planning. "But that isn't always the case."

Some companies also protect against losing employees if the owner or key person dies. Martin said he has heard of business owners providing "stay bonuses" for employees who remain for a specified time in the wake of something tragic.

"What you want is to make sure that the business will continue with the employees it has," he said. "And the hope is that someone from the inside will want to take it over. It also makes the business more attractive if a third party wants to buy it."

Martinez said she's learned a few lessons about herself and her company after her illness. She works slightly less now and delegates more often, including to her brother, who is now a company officer.

"I still do a lot of multitasking, but I just do it more responsibly," said Martinez, who is featured in the upcoming book, "Thriving Latina Entrepreneurs in America." "And my family also has a tighter leash on me."

She moved to Kerman to be closer to her parents, who check on her regularly.

Martinez also has broader goals, including funding research to study brain aneurysms. She recently visited an aneurysm patient at UC Davis and has been asked by her doctors to form a support group.

"I want my business to stand for something," she said. "I want it to be a place where I can mentor other women and hire employees that want to grow. I don't want to do business as usual, I want our company to be a healthy environment, for mind, body and soul."

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