

Family Business

BEST DEFENSE:

Emotion can't run a family business

BY JILL GAMBON
SPECIAL TO THE JOURNAL

As president and CEO of **Mikel Inc.**, a family-owned defense contractor that designs underwater warfare systems, **Kelly Mendell** handles a variety of responsibilities every day, from meeting with Congressional leaders to making sure her customers are satisfied. But one of the hardest parts of her job is settling disagreements with family members who are her business partners without letting family dynamics get in the way.

"Resolving conflict is a challenge," Mendell says. "My dad and my brother work for me. It can be awkward. You have to take the emotion out of it. We try to handle conflicts behind closed doors."

Developing ways to negotiate disagreements is just one of the many challenges facing family-run startups like Mikel, which is based in Fall River. Defining family members' roles, establishing decision-making processes and developing strategies for growth are among the key tasks that early-stage businesses must undertake to ensure success, says **Trish Costello**, director of the Arthur M. Blank Center for Entrepreneurship at **Babson College**.

Mikel got its start in 2000 after Mendell's father, **Brian Guimond**, took early retirement from his job as an electrical engineer with the **Naval Undersea Warfare Center** in Newport, R.I. Drawing on his professional contacts within the defense industry, he started working as a consultant on various engineering projects. His daughter joined him in 2003, working part-time to help run operations. The business continued to grow, Mendell's role expanded and she assumed the CEO/president role. Her brother Michael joined

Kelly Mendell, president, and Brian Guimond, chief technology officer, are a father-daughter team at Mikel Inc. in Fall River.

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Twins draw upon family ties to manage wealth

BY ROBERT CELASCHI
SPECIAL TO THE JOURNAL

Looking back, it seems only natural that twins **Paul** and **Wes Karger** would end up as business partners running **Twin Focus Capital Partners LLC**. At age 12 they started a business called **Odd Jobs Inc.**, earning money by raking leaves, shoveling snow and cleaning basements.



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Fraternal twins Paul and Wesley Karger are managing partners of Twin Focus Capital Partners LLC in Boston.

Even when they were only 4 or 5 years old, their father predicted, "Paul will bring the business in and Wes will run it," Paul Karger said.

After teaming up again at UBS in their 20s, the twins set off on their own in 2006 at age 29 to form **Twin Focus**, managing the investments of wealthy families.

The Kargers are fraternal twins, and the slight differences in appearance are mirrored by slightly different personalities. Both earned degrees from **Boston University**, but Paul majored in manufacturing engineering while Wes chose economics.

"Paul is probably a little more outgoing, and probably a little more aggressive in bringing in the clients," said **Joel Shulman**, associate professor of entrepreneurship at **Babson College** and an independent adviser to **Twin Focus**.

"I would describe Wes as the more conservative of the two," said **Eric Janszen**, founder of **iTulip.com** and also a **Twin Focus** adviser.

In practice, the Kargers travel together to visit clients, but play to each other's strengths. Wes operates more as the inside man, focusing on the liquid pool of capital so that funds are available for business investments. Paul takes the lead as the outside man, looking for those investments.

They also draw on their family ties when courting and dealing with client

families.

"It really sends the message that this is here for the long term," Paul Karger said. "Because partners go in and out of life. But one thing that will not change is that Wes and I will always be twin brothers."

The two communicate freely, even finishing each other's sentences.

"I tell Paul I know him better than he knows himself," Wes said. "I think he can say the same thing about me."

For a business setting, however, they've had to adapt.

"With twin brothers you are used to selling things with your fists, and you can't do that in an office environment," Paul Karger said.

The two wrote out an operating agreement and periodically update it.

"Decisions have to be made through some kind of formal framework, and the consensus has to rule," Wes said.

The brothers also brought aboard some "gray hair" to season the staff. A board of mentor-advisers has a vote in dispute resolutions.

"They started off as two guys, but now they have a pretty large team. Once you start to grow a business that way, you have to add some process," Janszen said.

One reason the Kargers have operated well as a team is that the business is the focal point of both their lives. They regularly work 100-hour weeks. Until last year they even lived together.

"Because of what we have done in our life, and the speed at which it has come, we have not had a lot of time for other things," Wes said.

"Wes and I talk shop 24/7, and that's the biggest complaint from significant others, that it's all we talk about is business," Paul said. "It's one of the reasons that we're not married right now, although we've had opportunities with some very qualified women."

Their little sister jokes that Paul and Wes are already married — to each other, Paul said.

The focus is likely to remain on business for a while.

"I think they are enjoying life right now," Shulman said. "They are meeting some of the world's wealthiest people. But they have to work very hard, and they have demanding clients who expect a lot out of them. Their minimum fee structure is fairly high. Their clients expect them to pick up the phone and call them back any time of day or night."

In the next five years or so, the brothers say they'll likely start their own families.

"I think that both of us are on the same page," Paul said. "I'm not in any rush to run out tomorrow and find my Brazilian supermodel to get married. But I understand that at some point in life you have to have something else in your life than running a company."