Home Run Inn tests succession recipe
By Lisa Leiter
05.14.12

Joe Perrino started succession planning eight years ago, mainly because he does not want history to repeat itself.

Even though the CEO of Woodridge-based Home Run Inn Inc. has been working at the company since he was a teenager, it wasn't until his father, Nick, was on his deathbed in 1990 that they talked about succession.

“When I had to discuss this with my dad, it was not a pretty scene,” Mr. Perrino says. “When my dad died, there was a lot of uncertainty in the company of where we were going to head.”

Mr. Perrino wanted to grow both Home Run Inn’s restaurant business and its frozen pizza operation, but his father was reluctant to add on to the business started by his in-laws, Mary and Vincent Grittani, in 1923.

Mr. Perrino opened more restaurants—there are now eight—and expanded the frozen pizza operation into one of the largest retail brands in the business.

Now, at 58, Mr. Perrino and his two older sisters, Lucretia Costello and Marilyn Carlson, are transferring ownership of the business to their children. In the next seven years, he plans to step down as CEO and become chairman.

He and his attorney held a family meeting with his elder daughter, Gina Bolger, 31, marketing director at Home Run Inn; his son, Nick, 25, who works for the company's distribution business, PowerPlay Distributors LLC; and his younger daughter, Renee, 23.

“We want to create transparency and trust through open communication,” Mr. Perrino says. “That's why family businesses fall apart . . . when there's no trust.”

Home Run Inn has developed formulas for compensation so family members know what to expect. Mr. Perrino is looking at which family member could assume the CEO role or whether the company should hire someone from outside the family. Three of his nephews also are involved in the business.

“I don't want to set anyone up for failure,” Mr. Perrino says. He meets with an outside advisory board quarterly to discuss the issue.
Andrew Keyt, executive director of the Family Business Center of Loyola University Chicago, which worked with Home Run Inn, says that while families can't necessarily breed CEOs of large and growing companies, that doesn't mean a business can't continue to be family-owned. “Family members have to have a sense of stewardship about the company, and when looking at a new CEO, they need to ask: What does that person need to look like for the company to be successful into the next generation, and do family members have the skill set to fulfill that role?”

As Mr. Perrino puts it: “What I want to give to this next generation is to let them run this company while I am still alive and let them make mistakes, and let me be here to stop them from making catastrophic errors and act as a balancing and reassuring force so that when I exit completely by death or retirement, it's seamless.”