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The Bluegrass means business.

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ON THE COVER
The Lane Report is celebrating its 35th anniversary as Kentucky’s business news source and planning for a bright future.

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Truth is Essential in the News Business

Today’s audiences don’t have time for fakes and partisanship

BY MARK GREEN

The Lane Report embraces its role as a trusted provider of news and information to the Kentucky business and economic development community. More than ever in today’s changing media landscape, trust is essential to staying in business. But truthfully, it always has been.

It’s why we’re still around 35 years down the road from our founding and going strong.

We make a point of focusing on Kentucky-specific business content because, yes, your peers elsewhere do very similar work but do it in an environment with different competitors and customers and costs that mean your solutions are different. However, our niche focus loses its worth if the information isn’t credible or slants left or right politically.

We know your time is valuable. If we waste it with unreliable information or material pushing a partisan viewpoint, you will go elsewhere in search of data that reliably benefits your decision-making.

Back in the previous century, when The Lane Report’s journalists learned the news craft at journalism school and from experienced elders on the job, accuracy and objectivity were first and foremost. Presenting truth is not only the right thing to do, it is the cornerstone of our business plan—collecting dependably true facts and presenting them understandably is what brings together an audience advertisers value.

There is a symbiotic relationship between news, which gathers the audience, and advertising, which pays the bills for gathering the news. It is not quite a chicken-or-the-egg relationship, however. Truthful, reliable news came first.

Beyond earning a financial payoff by what we do, there is the satisfaction of playing a constructive role in the Kentucky business community. The deal announcements, success stories and best practices we present as news are interesting, but their bigger significance is to provide our readers benchmarking and solutions.

The information in our pages each month and on our website each day give everyone—well, those who invest their time in consuming the material we present—a reality-based frame of reference to assess their operation and strategy and the strength of our Kentucky economy.

Not long ago, within my lifetime, creating and running a news platform was a big undertaking, complicated and expensive. Whether print or broadcast, there were multiple steps with specialty operations, raw materials, technical skills and equipment. The cost of entry was high.

News media today have fractured into a thousand pieces due to the technological revolution of the past generation. The internet allows anyone anywhere to project their information to you or, vice versa, you to go to anyone anywhere for information. Literally anyone with a computer, an internet connection and basic skills can go into the information business.

The key question, however, is whether that news is significant and accurate. Ironically, with more news options than ever, it is harder to find information worth the investment of your time to consume.

There are more news sources today than ever, but the majority seem to be pushing an agenda. The Lane Report’s agenda is Kentucky business growth. That’s it. We want our state to succeed and grow. That grows our business. And it makes us part of something bigger than ourselves and beyond the financial.

When it comes to Kentucky business news, The Lane Report, our website LaneReport.com and FasterLane email blasts are a prequalified prospect with a 35-year track record. We’re here for the long run and want you to come with us.
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A COMPILATION OF ECONOMIC NEWS FROM ACROSS KENTUCKY

EASTERN KENTUCKY
NEW HIGH-TECH GREENHOUSES ARE CHANGING THE AGRICULTURE INDUSTRY

Kentucky’s agricultural technology industry took a growth spurt this fall with two companies opening high-tech greenhouses that allow for year-round production of fruits and vegetables using recycled rainwater, less land and less energy. In addition to bringing the promise of hundreds of new jobs, the greenhouses offer the advantage of being within a day’s drive of 70% of the U.S. population, meaning fresher produce on grocery shelves.

Kentucky Fresh Harvest held a ribbon-cutting ceremony on Oct. 15 to celebrate the successful completion of its pilot vegetable crop, the creation of 35 jobs and the opening of a high-tech greenhouse in Stanford that will allow for the year-round production of tomatoes.

The following week, AppHarvest unveiled its new 2.76 million-s.f. greenhouse in Morehead, broke ground on a second facility in Madison County that will be comparable in size to the Morehead operation, and started construction on a third facility in Berea.

The Morehead greenhouse, built with a $100 million-plus investment, is expected to create 300 new jobs and aims to grow 45 million pounds of tomatoes annually. The first harvest could reach customers in early 2021.

The Madison County greenhouse, located just outside Richmond, will grow non-GMO, chemical pesticide-free fruits and vegetables while the planned Berea facility will produce leafy greens, most of which are currently grown in Arizona and California.

AppHarvest has also expanded its educational program, adding a new high-tech container farm program in Rowan County to its existing container farm program at Shelby Valley High School in Pike County. AppHarvest uses retrofitted shipping containers as hands-on agricultural classrooms for students, allowing them to grow fresh fruits and vegetables that are distributed to their classmates and those in the community.

“The container farm is the exact type of hands-on tool that excites students and shows first-hand the excitement of modern farming,” said Rowan County agriculture teacher Bradley McKinney.

BRANDENBURG
NUCOR BREAKS GROUND ON $1.7B STEEL PLATE MILL ON THE OHIO RIVER

Construction of Nucor Corp.’s $1.7 billion steel plate manufacturing mill has officially begun in Meade County, where the facility will employ a 400-member workforce with an average annual compensation of $72,000 once it becomes operational in 2022.

The company expects the project will also create an average of 960 temporary construction jobs, peaking at 1,500.

Located in the Buttermilk Falls Industrial Park along the Ohio River in Brandenburg, the 1.5 million-s.f. operation will provide Nucor with 1.2 million tons of annual capacity for steel plate production. Access to the Ohio River will allow Nucor to supply the mill with direct-reduced iron and scrap steel by barge. With Brandenburg’s location in the center of the nation’s manufacturing corridor, the plant will be able to quickly and cost-effectively distribute plate products to customers regionally and nationwide.

North Carolina-based Nucor is North America’s largest recycler and the nation’s largest steel and steel products producer. In Kentucky, Nucor and its affiliates employ approximately 2,000 people at numerous facilities, including Nucor Steel Gallatin, Nucor Tubular Products Louisville, Harris Rebar and a 50% ownership stake in Steel Technologies. Nucor also owns the David J. Joseph Co. and its multiple recycling facilities across the state, which collect and recycle scrap metal.

The company recently completed Phase I of a massive, $826 million expansion project at its Nucor Steel Gallatin mill in Ghent, Kentucky. That mill, which produces flat-rolled steel coils, is now in the middle of Phase II. In total, the Gallatin mill expansions are creating 145 full-time jobs.
CONSULTANTS for Red River Economic Development LLC (RRED) have unveiled plans for a strategy to spur economic growth in Eastern Kentucky that includes development of a 4.5-star destination resort in the Red River Gorge region.

RRED was formed several years ago when the Kentucky Chamber of Commerce formed a task force of key Eastern Kentucky business leaders to explore ways to spur economic growth in the Red River Gorge area. RRED hired a consulting firm, Stantec, and has been working with a local advisory board consisting of 15 area business leaders, environmentalists, rock-climbers, hikers, cabin owners and county judge-executives.

The proposed plan includes a 170-room high-end resort with a full-service spa, full-service restaurant, conference facilities, a distillery and/or brew pub, an outdoor space for events and live performances, indoor/outdoor pool, villas and a number of private residences.

According to Stantec, the resort would create 300 jobs in addition to more than 200 spin-off jobs in the surrounding area. More information about the proposed project can be found at redriverky.com.

EASTERN KENTUCKY
STATE CHAMBER’S REGIONAL TOURISM PLAN INCLUDES Upscale RESORT AT Red River GORGE

PARIS
COMPANY FORMED TO MAKE PPE WILL CREATE 192 JOBS

A new manufacturing company formed to meet the ongoing demand for personal protective equipment (PPE) will bring 192 new high-tech jobs to Paris.

U.S. Medical Glove is investing more than $32 million to retrofit and expand an existing facility in Bourbon County for the company’s manufacturing facility, with operations expected to begin in the first half of 2021.

The production process will use latex-based nitrile sourced from Zeon Chemicals in Louisville. Product packaging will also be American-made, medical-grade paper. The company plans to explore the feasibility of transitioning from oil-based raw materials to plant-based, which would result in a biodegradable product and ease environmental waste concerns.

The company will initially employ 45 high-level computer technicians, with additional staff to follow as more production lines are installed.

DANVILLE
ERNST & YOUNG NAMES DISTILLERY OWNERS TOP 2020 ENTREPRENEURS

SHANE Baker and Patrick Heist, the owners of Wilderness Trail Distillery in Danville, have been named as the winners of Ernst & Young’s 2020 Entrepreneur of the Year award for the East Central region.

The annual EY awards recognize entrepreneurial leaders who are excelling in overcoming adversity; financial performance, societal impact and commitment to building a values-based company; innovation; and talent management.

Prior to starting Wilderness Trail Distillery in 2012, Baker and Heist teamed up to opened their first company, Ferm Solutions, in 2006. Ferm Solutions offers analytical laboratory services and sells yeast and other products used by distillers and brewers.
BUSINESS BRIEFS

ASHLAND
- UK HealthCare’s Kentucky Children’s Hospital and Cincinnati Children’s Joint Heart Program are opening an outreach clinic at Primary-Plus in Ashland that will see both pediatric and adult congenital heart patients twice a month. As a “one-program, two-sites model,” the Joint Heart Program was ranked 14th in the country for pediatric cardiology and heart surgery in the 2020-2021 U.S. News and World Report listing of Best Children’s Hospitals. The Joint Pediatric Heart Program includes 14 additional clinics throughout Kentucky.

BEREA
- Hitachi Automotive Electric Motor Systems has announced plans for a new electric vehicle motor subsidiary in Berea to handle the development, manufacture and sales of electric motors for the growing North American market. The new subsidiary will be based out of Hitachi’s existing offices and manufacturing facility in Berea and is expected to start in 2022, depending on the effects of COVID-19.

COVINGTON
- CTI Clinical Trial and Consulting Services, a Covington-based contract research organization (CRO), has acquired Clinart, another CRO with nearly 20 years of experience and strong local expertise in the Middle East and Northern Africa (MENA) region. CTI, one of the 20 largest CROs in the world, is currently managing more than 20 active COVID-19 trials in addition to work in regenerative medicine, rare diseases and other therapeutic indications. The acquisition of Clinart will enable CTI to further expand the global reach of their research.

EDGEOOD
- St. Elizabeth Healthcare has opened a new $100 million cancer center that will enable the Northern Kentucky health care system to treat nearly 500 patients a day. The 250,000-square-foot facility provides detection, diagnosis and treatment care all under one roof and also features the doTERRA Center for Integrative Oncology, which offers space for counseling and support groups, a demonstration kitchen, patient and family resource center, art and music therapy, massage, acupuncture and meditation.

ELIZABETHTOWN
- Verizon Communications has signed an agreement to acquire certain assets of Bluegrass Cellular, a wireless operator headquartered in Elizabethtown. Bluegrass Cellular was formed 29 years ago and currently provides wireless service to 210,000 customers in 34 counties across Central Kentucky. The acquisition is expected to close late this year or in early 2021.

ERLANGER
- Southwest Airlines is now offering daily nonstop flight service between the Cincinnati/Northern Kentucky International Airport (CVG) and Houston’s Hobby Airport (HOU). Houston provides an entry point for international travel to numerous Latin America and Caribbean destinations.

ASHLAND
BRAIDY UNVEILS NEW NAME, WILL MOVE AHEAD ON ALUMINUM MILL

BRAIDY Industries, an Ashland-based company that announced plans in 2017 to build a $1.3 billion aluminum rolling mill in nearby Greenup County by 2020, has changed its name to Unity Aluminum.

The new name is the latest in a series of changes for the company, which has undergone leadership changes and challenges over the past few years, including a lawsuit filed against the company by former Braidy CEO Craig Bouchard.

A statement released by the company says that Unity has accelerated its plans to build “the world’s most technologically advanced aluminum rolling mill at a time when global capacity is significantly constrained.” When the project was announced in 2017, plans called for a 2.5 million-square-foot plant to be built on 300 acres and the promise of 550 advanced manufacturing jobs.

A start date for construction has not been released.

LEXINGTON
SUMMIT ADDS SPACE TO PRODUCE MORE MEDS, COVID TREATMENT

LEXINGTON-based pharmaceutical company Summit Biosciences Inc. is investing more than $19 million to expand its operations at the University of Kentucky Coldstream Research Campus.

The project, which is expected to create up to 78 full-time jobs, has grown significantly since it originally was announced in 2016 as a $7.9 million project that would create 21 jobs. The expansion—which is nearing completion—brings the company’s footprint to 44,000 square feet with increased manufacturing, laboratory and warehouse space. The additional space will support clinical and commercial production of several new nasal spray medicines, including one for COVID-19.

In May, Atossa Therapeutics Inc., a Seattle-based pharmaceutical company, awarded Summit a contract to accelerate the development of a nasal spray medicine for preventing and/or mitigating a COVID-19 infection. The proposed product is being developed as an at-home, easy-to-administer preventative or treatment option for patients and is among a very limited number of medicines or vaccines that will rely on intranasal delivery.
LEXINGTON

NEW TEMPUR-SEALY TECHNOLOGY KILLS 99% OF BACTERIA, VIRUSES

LEXINGTON-based mattress manufacturer Tempur Sealy International has announced plans to introduce new antimicrobial and antiviral technology that will kill 99% of bacteria on mattress surfaces and has also been shown to be 99% effective in killing viruses, including the human coronavirus.

The Surface-Guard Technology will be available on select Sealy products beginning in early 2021, with the technology extended to the Tempur-Pedic and Stearns & Foster lines later in the year.

The company is pursuing antiviral-efficacy claims approval from the U.S. Food & Drug Administration and Environmental Protection Agency.

Tempur-Sealy has also entered into a new 50/50 joint venture with its Asian joint venture partners to develop, expand and reposition Sealy products in the United Kingdom, where Tempur-Sealy CEO Scott Thompson says the premium innerspring segment of the market is not being fully served. The joint venture in Asia has been successful in establishing Sealy in its markets as a premium brand: Over the last 20 years, the Sealy Asian joint venture has grown net sales at an annual compounded growth rate of approximately 36% and opened seven new manufacturing facilities.

STATE

KY AWARDED GRANT TO BOOST SMALL-BUSINESS EXPORT ACTIVITY

THE Kentucky Cabinet for Economic Development has been awarded $300,000 from the U.S. Small Business Administration to support export growth among small businesses.

The SBA’s State Trade Expansion Program (STEP) is designed to increase both the number of small businesses that export and the value of their exports. The award helps fund exporting activities such as participating in foreign trade missions and foreign market sales trips, obtaining services provided by the U.S. Department of Commerce, accessing expertise in designing international marketing campaigns and export trade show exhibits, and participating in training workshops.

For more information about the export resources provided by the SBA, visit sba.gov/business-guide/grow-your-business/export-products.

BUSINESS BRIEFS

FLORENCE

■ Linamar Corp., a Canadian company that produces components for the automotive and commercial markets, has filed papers with the state indicating its plans to close the Eagle Manufacturing plant in Florence by May 2021. The closure will result in the loss of 239 jobs.

FRANKFORT

■ TOPY America Inc. has completed a $36 million renovation of its Frankfort facility, where it produces conventional, bead seat and full-face steel wheels for major auto manufacturers such as Honda, Ford, GM, Kia, Hyundai and Subaru. The investment at the 500,000-s.f. facility included the installation of a new state-of-the-art automated steel wheel assembly line, an additional painting line and two center-disc line enhancements, as well as lighting and climate-control upgrades.

GEORGETOWN

■ Ecofibre’s hemp processing facility in Georgetown has achieved the U.S. Green Building Council’s LEED Platinum certification, the first such certification presented for a warehouse and hemp facility. LEED stands for Leadership in Energy and Environmental Design, an internationally recognized green building certification system providing third-party verification that a building was designed and built sustainably with low environmental impact. The design, build and certification process was driven by a Kentucky-centric team of architects and engineers that included JRA Architects Inc. and Shrout Tate Wilson.

GLASGOW

■ Ross Mortgage, a full-service residential mortgage lender headquartered in Michigan, has opened its first Kentucky location in Glasgow. Ross Mortgage has been in operation for more than 70 years and operates offices in 11 states.

GREEN COUNTY

■ The Green County Board of Education has received a $300,000 grant from the Appalachian Regional Commission that will be used to expand the Area Technology Center’s welding program. By adding eight more welding stations and equipment, the project will help an additional 100 students each year obtain employment and/or continue their education.

HAZARD

■ The Kentucky Community and Technical College System has received a $3.9 million federal grant to renovate an existing building at Hazard Community and Technical College to house its new Advanced Manufacturing and Construction Center of Excellence. The grant will be matched with $970,000 in local funds.

HIGHLAND HEIGHTS

■ Northern Kentucky University has created a new Health Care Commercialization Certificate, the nation’s first graduate program focused on translating fundamental research and development into products, services and procedures that are cost-effective and efficient. The program can be completed in as few as six months.
BUSINESS BRIEFS

LEITCHFIELD
■ Metal fabricator Xtreme Fabrication is adding 7,200 s.f. to its existing facility in Leitchfield to better meet growing demand from its customer base. The project will include the purchase and installation of a CNC (computer numerical control) plasma-cutting machine and traditional CNC machining equipment that will enable the company to diversify its business and enter markets it doesn’t currently serve. Xtreme currently employs 30 people and plans to add 25 more positions as part of the expansion.

LEXINGTON
■ The Lexington Public Library has added 275 laptops to its list of resources available at no cost to library cardholders. Adult cardholders 18 and over may check out a laptop for 14 days, which will automatically renew unless another customer places a hold on it. Laptop data and web searches will be wiped clean by library staff after each loan to ensure customer information is not compromised.

■ C.I. Thornburg Co., a Lexington-based waterworks distribution company that has been in operation for nearly 90 years, has changed its name to CITCO Water. CITCO employs over 100 people across seven locations in Kentucky, West Virginia and Tennessee.

■ Lexington-based Marrilla Design and Construction has expanded with the addition of a new office in Louisville. Since the firm’s inception in 2008, the company has completed more than 180 projects totaling more than $220 million, with clients including the University of Kentucky, the University of Louisville, LG&E-KU and the Commonwealth of Kentucky.

■ Framebridge has opened a 49,000-s.f. custom picture frame manufacturing facility in Lexington. The company currently operates a 100,000-s.f. manufacturing plant in Richmond but needs to expand to meet the demands of its growing retail business. The company recently opened new stores in New York and Atlanta in addition to its original retail shop in Washington, D.C. and another location in Maryland. Management expects to have a staff of 120 by the end of the year and also plans to add another 120 manufacturing positions at the Richmond facility this year.

LOUISVILLE
■ Louisville entrepreneurs Gill and Augusta Holland have pledged $50,000 as matching funds to support the Global Economic Diversity Development Initiative’s (GEDDI) business accelerator program, The Black Complex. The program, which is housed in downtown Louisville, creates a business hub for Black innovation, political thought, urban planning, technology and community engagement. GEDDD is a Black-founded and Black-led nonprofit foundation based in Louisville.

■ Louisville accounting firm Deming, Malone, Livesay & Ostroff (DMLO) has merged with Rodefer Moss of Southern Indiana. The merged firm employs approximately 150 employees and is operating as DMLO with offices in Louisville; Corydon, Ind.; and New Albany, Ind.

GLOBAL BIOTECH COMPANY BUYS LOUISVILLE STARTUP IN $15M DEAL

GLOBAL biotech company Orgensis has announced plans to acquire Louisville-based Koligo Therapeutics in a deal valued at $15 million. Koligo is a startup company launched in 2016 that specializes in regenerative medicine and has become a leader in developing personalized cell therapies using the patient’s own cells. The company has successfully launched its first commercial product, KYSLECEL, a therapy for chronic and recurrent acute pancreatitis, and plans to start a Phase 2 trial of for the treatment of COVID-19-related acute respiratory disease syndrome (ARDS) that will be led by the University of Louisville.

Koligo’s development-stage technology utilizes 3D bioprinting and vascularization with autologous cells (“3D-V” technology) to create three-dimensional cell and tissue implants.

Orgensis plans to accelerate the commercial scale-up of KYSLECEL, start patient recruitment for the COVID-19 trial and leverage the 3D-V technology across its POCare platform. Koligo’s management team will join Orgensis to continue commercial and development activities.

SOUTHEAST KENTUCKY
PLANS MOVE FORWARD FOR RACING FACILITY IN CORBIN

KEENELAND has formed a new partnership with the majority owners of the Kentucky Downs racetrack in Franklin and is moving forward with plans for racing facilities to be built in southeast Kentucky. The partnership has filed an application with the Kentucky Horse Racing Commission for a racing license and proposed construction of a racing facility in Corbin that would offer harness racing and a related track extension in nearby Williamsburg offering historical racing machines and simulcast wagering.

Keeneland first announced plans for southeast Kentucky back in 2014 and owns nearly 150 acres of property near the Corbin bypass. According to The (Corbin) News Journal, the site has been rezoned from industrial to public use, which would allow for the construction of a hotel, restaurant and commercial space in addition to the racetrack. The report noted the Williamsburg location would also feature a hotel and restaurants.
The Exchange at Newport on the Levee features an artisan market on the main level with furnished office space available for short-term leasing on the second floor.

A new artisan market and the addition of flexible office space are among the latest changes at Newport on the Levee, a multi-level retail/office/entertainment destination that is home to the Newport Aquarium and a 20-screen IMAX theater along with restaurants and other entertainment venues.

The new space, called The Exchange, is located in the former Barnes & Noble bookstore and is part of North American Properties’ (NAP) ongoing redevelopment of Newport on the Levee. Cincinnati-based NAP purchased Newport on the Levee in December 2018 and is implementing major redevelopment efforts that will extend into 2021.

The 11,000-s.f. indoor artisan market features a revolving mix of local makers and merchants while the upstairs level of The Exchange offers office space that is part of a larger NAP program called Flip the Switch. Flip the Switch offers space that is furnished, wired and move-in ready for businesses that need short-term lease agreements. The Flip the Switch program has already launched in Atlanta and received great interest, especially from employers seeking to limit upfront costs and explore options as they face uncertain future business projects or have postponed real estate decisions due to the pandemic.

In a move designed to focus on its specialty hospital operations, Louisville-based Kindred Healthcare has announced that it is selling its RehabCare business line to Select Rehabilitation, an Illinois-based company that is a leading provider of contract rehabilitation services. With the acquisition of RehabCare, Select will have 17,000 therapists serving more than 2,300 health locations in 43 states. Financial details of the sale, which is expected to close by the end of 2020, have not been disclosed.

Louisville-based nonprofit WaterStep has introduced a new product that helps stop the spread of germs, including COVID-19. The Personal Disinfectant Generator (PDG) is a USB-powered spray bottle that uses water and table salt to generate a nontoxic disinfectant that meets World Health Organization standards and can be created in just eight minutes. The product is priced at $34.99 and is available on the WaterStep website. Proceeds from the sale of PDG support WaterStep’s work to save lives in disaster situations and in the developing world.

### BUSINESS BRIEFS

**LOUISVILLE**

- LLFlex, a Louisville company that produces packaging materials and industrial laminate solutions for a wide variety of industries, has acquired Hampden Papers in a transaction that creates one of North America’s largest suppliers of coated and laminated substrates. The acquisition comes as LLFlex begins production at its new 73,500-s.f. manufacturing facility in North Carolina and will further expand LLFlex’s footprint in a wide range of packaging niches. Hampden also just opened a new location in North Carolina and has a Louisville location as well. Financial details of the acquisition were not disclosed.

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BUSINESS BRIEFS

LOUISVILLE
■ PharMerica, a Louisville-based provider of institutional and home-based pharmacy services, has acquired One Point Patient Care (OPPC), one of the nation’s largest independent providers of hospice pharmacy and pharmacy benefits management services. Arizona-based OPPC serves more than 350 hospice programs in 50 states. PharMerica President Bob Dries said PharMerica’s national footprint will be able to take OPPC’s hospice pharmacy service model to even more communities across the country.

■ The University of Louisville has been awarded a $11.5 million grant from the National Institute of General Medical Sciences to establish the Center for Cancer Immunology and Immunotherapy. The five-year grant also will allow UofL to establish the center as a National Institutes of Health-designated Center of Biomedical Research Excellence to support young investigators and develop additional basic, translational and clinical research at the UofL Health – James Graham Brown Cancer Center. To extend the impact of the center even further, Kosair Charities has donated an additional $200,000 to facilitate the development of immunotherapy drugs for children with cancer.

MADISONVILLE
■ The City of Madisonville has received a $509,000 grant from the Delta Regional Authority that will be used to build a 22,000-s.f. hangar at the Madisonville Regional Airport. The project will support Madisonville Community College’s aviation training program, providing workforce training to 90 people and creating 30 new jobs.

MOUNT VERNON
■ Chapin International Inc., a manufacturer of metal compressed air sprayers, is investing $5.5 million to locate a new production operation in Mount Vernon that will bring up to 100 full-time jobs to the Rockcastle County area. The New York-based company plans to relocate segments of existing operations in New York and Ohio to a 175,000-s.f. facility in the Rockcastle Business Park that previously housed Eagle Manufacturing. The new plant will produce and distribute metal compressed air sprayers for a variety of uses.

NEWPORT
■ A ribbon-cutting ceremony was recently held for a new $37 million project in Newport that has converted the former Fourth Street Elementary School into a 2020-unit apartment building. City Manager Tom Fromme said the building joins a growing residential boom that includes the construction of more than 700 apartments in the city’s downtown.

SOMERSET
PLANS UNVEILED FOR NEW PRIVATE 4-YEAR UNIVERSITY IN SOMERSET

SomerSET community leaders have unveiled plans to build a private, four-year university in the heart of downtown Somerset.

Plans call for the University of Somerset to be a nonprofit research university that will offer a full spectrum of undergraduate degrees in the arts and sciences, complemented by a select offering of master’s and doctoral programs.

A timeline for the university’s development has not yet been released by tentative plans call for the university to be built in Cundiff Square, an declining nine-acre development that was once a center of commerce.

Somerset Mayor Alan Keck, a member of the university’s founding board of directors, said a four-year university will address a challenge the community has faced for decades as its best and brightest leave the area to pursue postsecondary education. According to an economic impact and feasibility study conducted by Bluegrass Research Alliance in 2018, a four-year institution could also generate approximately $128 million in annual economic activity and create more than 1,000 jobs.

The same study surveyed Pulaski County residents about the need for a four-year university in the community: 77% of adult respondents said they “definitely would” have considered a four-year college in Somerset and Pulaski County if it was an option and 79% of high school students said they would consider it as an option as well.

BOWLING GREEN
NOVA STEEL TO OPEN $70 MILLION FACILITY IN BOWLING GREEN

NOVA Steel USA has purchased a 108,000-s.f. spec building in Bowling Green’s Kentucky Transpark, where it will locate a tube manufacturing facility.

The Canada-based company plans to invest a total of $70 million in the project, which will include the purchase and installation of equipment for precision rollforming, laser cutting, tube bending and fabrication, along with robotics and other technology.

The new location—Nova Steel’s first in Kentucky—is expected to open in the summer of 2021 with around 50 employees. Two additional expansions are planned within the next three to five years, which would expand the facility to 325,000 s.f., with the number of jobs growing to 110.
2020 proved, more than ever, that Kentucky Chamber membership is critical because of the services, knowledge, advocacy, and overall dedication that the organization provides businesses. I have seen many businesses across the state reach out to the Chamber for help during the pandemic that were not members, showing that everything the organization does adds value to Kentucky companies.

— 2020 Kentucky Chamber Chairman
Nick Rowe, Kentucky American Water

JOIN TODAY!
Affordable membership options for businesses of all sizes.
Contact Jessica Moore (502) 848-8733 | jmoore@kychamber.com
464 Chenault Road | Frankfort, KY 40601 | kychamber.com
BUSINESS BRIEFS

PADUCAH
■ Sprocket Inc., a nonprofit center for entrepreneurship, education and community learning, has received a $170,650 grant from the Delta Regional Authority that will be used to provide software engineering training to help expand the digital workforce and economy in Western Kentucky. The program will create 21 new jobs and provide training for 120 people.

PRESTONSBURG
■ Big Sandy Community and Technical College has received a $1.5 million federal grant to create the East Kentucky Oral Health Training Center on the college’s Mayo campus. The center will house the college’s dental assisting/dental hygiene program and serve as a training hub for the region’s oral health professionals.

SOMERSET
■ WestRock has closed its plant in Somerset, where the company produced corrugated containers. The shutdown, which was effective Sept. 30, has eliminated 24 jobs. The Atlanta-based company continues to operate five other locations in Kentucky.

SPARTA
■ NASCAR has announced that the Kentucky Speedway will no longer host its annual July Cup Series event. NASCAR fans also patronized area attractions such as the Ark Encounter and the Newport Aquarium, so the move could have a major impact on revenue for area hotels and restaurants. Kentucky Speedway Executive Vice President and General Manager Mark Simendinger said the Kentucky Speedway will “evolve into a multi-use rental complex and also seek additional entrepreneurial prospects.”

WINCHESTER
■ Summit Financial Group, a $2.86 billion financial holding company headquartered in West Virginia, has announced that it is acquiring WinFirst Financial Corp., a Winchester banking institution with assets of $152 million that dates back to 1934. The acquisition, which is expected to close by the end of the year, will provide Summit with its first entry into the Kentucky market.

STATE
■ Preliminary estimates from the Kentucky Council on Postsecondary Education show that despite COVID-19, freshman enrollment at public universities this fall was down only 0.2% from the previous year. Four out of eight public universities in Kentucky actually experienced an increase in freshman enrollment.

■ The Kentucky Health Benefit Exchange, known as kynect, has been reconnected to provide Kentuckians information about health care and other benefits. The portal, which was originally launched in 2013 as part of the Patient Protection and Affordable Care Act but disconnected in 2017 as then-Gov. Matt Bevin moved kynect’s information to another site, is now being expanded to enhance usability, offer a mobile-friendly format and prepare for the return of a state-based exchange that will begin in January 2022.

LEXINGTON
DOCTOR-OWNED BUSINESS GROUP BUYS 37 KY DENTAL PRACTICES

A doctor-owned business group in Lexington that was created to address the changing dynamics of the dental industry nearly doubled in size on Oct. 1 when it added 37 Kentucky dental practices to its group in a single day.

PepperPointe Partnerships was founded by a group of orthodontists who wanted to protect the future of dentistry by handling the administrative functions of practices so that dentists can focus on their patients.

“Our model was created because as an orthodontist myself, I didn’t want to have to justify an exit strategy that was just negotiating the terms of my surrender,” says PepperPointe President and CEO Dr. Greg White. “Our alternative fights against the corporate-owned and private equity-backed DSOs (dental support organizations) that strip unit-level ownership from doctor-owners.”

With the October acquisitions, PepperPointe now manages 92 office locations, including pediatric dental, orthodontic and general dentistry, with 85 doctor partners.

STATE
STUDY: APPRENTICESHIPS CREATE DRAMATICALLY HIGHER EARNINGS

ARN-and-learn apprenticeship training leads to higher pay and better outcomes than other job-focused community college programs, according to a new report from Opportunity America and the Brookings Institution, Kentucky FAME: Fulfilling the Promise of Apprenticeship.

According to the study, FAME (Federation of Advanced Manufacturing Education) participants are more likely to graduate than other students at the same community colleges and earn more than other job-focused students at the same community colleges. Five years after graduation, FAME participants’ median earnings were nearly $98,000 a year, compared to $52,783 for non-FAME participants.

FAME began as a small, local initiative launched by Toyota and a handful of other manufacturing firms in Kentucky. Today, FAME is a national network of nearly 400 companies in 13 states, managed by the National Association of Manufacturers.
BUSINESS BRIEFS

INDIANA
■ Walmart is investing $600 million to build and equip a new fulfillment center in central Indiana to meet the increasing demand for online orders. When it opens in spring 2024, the 2.2 million-s.f. facility in Hancock County will be the company’s largest e-commerce fulfillment center in the country and will have a 1,000-member workforce by the end of 2025.

OHIO
■ Cincinnati-based E.W. Scripps Co. has announced that it will buy national broadcast network ION Media for $2.65 billion, combining the business with Scripps’ Katz networks and Newsy to create a full-scale national television network business. Florida-based ION boasts the fifth-largest average prime time audience among all cable-carried networks, reaching more than 100 million homes. Berkshire Hathaway will make a $600 million preferred equity investment in Scripps to finance the transaction.

■ Cincinnati-based Kroger, the nation’s largest grocery retailer, has launched a new Twitter tool powered by artificial intelligence (AI) that delivers recipes to users based on what they currently have in their pantry. Developed in partnership with integrated creative and media agency 360i and technology partners Coffee Labs and Clarifai, Kroger’s Chefbot’s AI analyzes photographs to recognize nearly 2,000 ingredients and then searches 20,000 Kroger recipes for users to prepare.

TENNESSEE
■ After announcing in 2017 plans to invest $22.5 million to build a nine-building headquarters and manufacturing campus on 68 acres in Maryville, Tenn., that would bring 350 new jobs to the area, the owner of SCCY Firearms has decided to keep the company’s headquarters and operations in Daytona, Beach, Fla. SCCY CEO Joe Roebuck told The Daytona Beach News-Journal that higher-than-expected labor costs were a primary factor in his decision, due to a large manufacturer in Maryville creating job competition and offering higher salaries than he could afford.

■ Tennessee-based Dollar General has unveiled plans for a new retail concept called popshelf. The popshelf stores will feature seasonal and home décor, health and beauty items, home cleaning supplies, party goods and more, with 95% of the items priced at $5 or less. The first two popshelf stores will be located in the Nashville area, with plans to open approximately 30 locations in various markets by the end of fiscal year 2021.

TENNESSEE
SMILEDIRECTCLUB TO HIRE 600 FOR NEW MANUFACTURING PLANT

SmileDirectClub is expanding its presence in Middle Tennessee with a new manufacturing facility in Columbia. SmileDirectClub is an oral care company and the creator of the first medtech platform for teeth straightening. The company uses a teledentistry platform to connect customers with an affiliated network of licensed dentists and orthodontists who remotely prescribe and monitor aligner therapy treatments.

In 2016, the company established its headquarters in Nashville and in 2017 pledged to invest $4.5 million to expand two Nashville-area locations that would create nearly 450 new jobs. In 2019, the company announced plans to invest $217 million and the creation of more than 2,000 jobs across its Nashville headquarters and Middle Tennessee facilities.

The Columbia project represents an investment of $34 million and will bring more than 600 new jobs.

OHIO
PURINA TO BUILD $550M PET FOOD PLANT, CREATING 300 NEW JOBS

Nestle Purina has announced plans to build a $550 million pet food plant in Williamsburg Township, Ohio, bringing 300 new jobs to the small community about 30 miles east of Cincinnati.

The project is part of a broader growth plan for Purina, which also recently announced plans to convert a former brewery in Eden, N.C., into a new pet food factory.

The 1.2 million-s.f. facility will be the company’s most technologically advanced pet food factory, utilizing robotics and innovative digital tools.

The new operations will also be designed with sustainability at the forefront, including a commitment to send zero waste for disposal, and production processes designed to recover and reuse heat and water. Purina also is striving to make the facility 100% powered by renewable electricity in the shortest practical timeframe, while supporting the company’s ambition for zero environmental impact in company operations by 2030.

The plant is expected to be operational by 2023.
**NEW LEADERSHIP FOR KENTUCKY BUSINESSES**

**CORPORATE MOVES**

**BIG MOVES**

**Accounting**
- **Nick Porter** has been named a director of Louisville-based accounting firm Deming, Malone, Livesay & Ostroff.

**Banking**
- **Ron Hart** has been appointed executive vice president and chief financial officer for London-based Cumberland Valley National Bank.
- **Nicholas T. King** has been promoted to vice president and chief financial officer for Pikeville-based Community Trust Bank.
- **Bryan Fuller** has been promoted to community president for Stanford-based First Southern National Bank.
- **Alex Downing**, president of Franklin Bank & Trust Co., has assumed the added responsibility of chief executive officer of the bank following the Sept. 30 retirement of CEO Gary Broady.

**Business Development**
- **Monique Quarterman** has joined the Kentucky Science and Technology Corp. as executive director for Kentucky Commercialization Ventures.
- **Kaci Compton** has been named executive director of the Maysville-Mason County Area Chamber of Commerce.
- **Steve Lochmueller** has been hired to serve as a business coach for a new partnership between the Kentucky Small Business Development Center and the Somerset-Pulaski Economic Development Authority.

**Business Support Services**
- **Allyson Cook** has been named president and chief executive officer of Fort Mitchell-based Erigo Employer Solutions.

**Construction**
- **John Oliva** has joined The Hagerman Group as director of business development for the construction solution provider’s Louisville office.

**Economic Development**
- **Colby Hall** has been named executive director of Shaping Our Appalachian Region (SOAR).

**Education**
- **Steve Angelucci** has been named assistant to the president at Transylvania University, where he will work with Transylvania President Brien Lewis to create an immersive entrepreneurship program.
- **Carmen Hickerson** has joined Northern Kentucky University as assistant vice president for economic engagement and government relations.

**Lexington-based Bank of the Bluegrass & Trust Co. has announced the following appointments:**

**Mike Walden** has joined the bank’s E. High St. location in Lexington as a universal banker. Walden has a degree in business management and administration from the University of Pikeville and brings more than three years of experience to his position.

**Jordan Hogge** has joined the bank’s loan department as a loan processor. He joins Bank of the Bluegrass with more than eight years of lending experience.

**Brad Simpson** has joined the bank as a universal banker at the Romany Road location in Lexington. Simpson recently relocated from Mississippi and has more than 15 years of banking experience.

**Baldwin CPAs has announced the following new additions to their firm:**

**Kelsey Johnson** has joined the firm as an accountant in the Lexington office. Johnson served as an intern for Baldwin in 2019 and earned her bachelor’s degree in business administration in public accounting from Eastern Kentucky University in May 2020.

**Bob Moreland** has joined Baldwin’s Louisville office as a tax manager. Moreland is a certified public accountant and brings nearly 20 years of experience to his position.

**Katie Hunter** has joined Baldwin CPAs as an audit manager for the Louisville office. In addition to being a member of the AICPA and the Kentucky Society of CPAs, Hunter serves on the KYCPA Women’s Initiative Committee.

**ACCOUNTING**

**BANKING**

**EDUCATION**

**CONSTRUCTION**

**ECONOMIC DEVELOPMENT**

**BUSINESS DEVELOPMENT**

**BUSINESS SUPPORT SERVICES**

**November/December 2020 lanereport.com**
Eddie J. Howard has been appointed vice president for student affairs at Northern Kentucky University.

Jerod Stapleton has been appointed assistant dean for research at the University of Kentucky College of Public Health.

Nathan (Nate) Kuchta has joined Carrollton-based Victory Hemp Foods as chief financial officer.

Paul Czarapata, vice president of technology solutions for the Kentucky Community and Technical College System (KCTCS), has been named interim president for the college system. A national search is underway for a replacement for Jay Box, who retired as KCTCS president in September.

Timothy Trant has been named chief executive officer of G&J Pepsi-Cola Bottlers.

Ann Gugino has been named chief financial officer for Louisville-based Papa John’s International Inc.

John Mays has been appointed director of equity and inclusion for Louisville-based KFC U.S.

GOVERNMENT
- Sharmili Reddy has joined Planning and Development Services of Kenton County as executive director.
- Yvette Gentry has been named chief of the Louisville Metro Police Department. She succeeds Rob Schroeder, who has retired.
- Russ Meyer has been named commissioner of the Kentucky State Park system.
- Thomas Woods-Tucker has been named the state’s chief equity officer of the Kentucky Department of Education.

HEALTH CARE
- Greg Bodager has been named market director of cancer care for CHI Saint Joseph Health.
- Mike Alexander has been promoted to director of environmental services at Baptist Health Floyd (Ind.). Heather Shrum has been named director of the hospital’s food and nutrition services.
- Samantha Patrick has been named chief financial officer of Clark Regional Medical Center and Bourbon Community Hospital.
- Tukea Talbert has been named chief diversity officer for UK HealthCare.
- Craig Jennings has been named chief operating officer for Nazareth Home, a Louisville-based company that focuses on long-term and rehabilitation care.
- Joel Day has been appointed chief financial officer for Louisville-based Kindred Healthcare LLC. Todd Flowers, who is senior vice president of corporate finance and treasurer, will assume the additional role of chief financial officer, strategy and support services. Julie Viers has been promoted to chief accounting officer.

LEGAL
- Sean E. Mumaw has joined the McBrayer law firm’s Louisville office, where he is part of the estate planning team.
- Terri Stallard has joined Dinsmore & Shohl’s Lexington office as a partner in the private client and family wealth planning practice group.

NONPROFIT
- Paula Anderson has been named president and chief executive officer of the YMCA of Central Kentucky.

TECHNOLOGY
- Jessica Heck has joined Louisville-based health-care technology company OdessaConnect as chief business development officer.
- Hayder Allebban has joined Lexington-based NetGain Technologies as vice president of operations.

TOURISM
- Greg Waldron has been named executive director of the National Corvette Museum Motorsports Park in Bowling Green.

DEPARTURES
- Dr. Wayne Mortenson has retired from the executive leadership team of Mortenson Dental Partners in Louisville. Mortenson, who founded the practice more than 40 years ago, will remain as an active member on the board of directors and will continue to head Mortenson Charitable Foundation.
- Marc Mathews has announced that he will retire as Transylvania University’s vice president for finance and business at the end of the 2020-2021 academic year.
- Lloyd C. Hillard Jr., chairman of the Central and Southern Kentucky Advisory Board of WesBanco, has retired after a 56-year career in banking.
- CHI Saint Joseph Health CEO Bruce Tassin, who also serves as president of Saint Joseph Hospital and Saint Joseph East in Lexington, has announced that he is leaving the organization at the beginning of 2021.
- Mary Ellen Wiederwohl has announced that she is stepping down at the end of the year as chief of Louisville Forward, Metro Louisville’s economic development agency.
AGRICULTURAL DEVELOPMENT BOARD
■ Henderson farmer Robert Williams has been appointed to Kentucky’s Agricultural Development Board.

AMERICAN ASSOCIATION OF STATE COLLEGES AND UNIVERSITIES
■ Ashish Vaidya, president of Northern Kentucky University, has been elected to the American Association of State Colleges and Universities Board of Directors.

COMMISSION ON CANCER
■ Dr. Tim Mullett has been named chair of the Commission on Cancer, a program of the American College of Surgeons. Mullett is medical director of the University of Kentucky Markey Cancer Center Affiliate Network.

EDUCATION PROFESSIONAL STANDARDS BOARD
■ The following education professionals have been appointed to Kentucky’s Education Professional Standards Board: Lisa Rudzinski (chair), Fayette County Public Schools; Melissa Conley-Salyers, Boyd County Public Schools; Elijah Edwards, Boyle County Public Schools; Sara Green, Fayette County Public Schools; Cathy Gunn, Jefferson County Public Schools; Donna Hedgepath, Campbellsville University; Traci Hunt, Jefferson County Public Schools; Jacqueline Mayfield, Jefferson County Public Schools; Justin Mitchell, Simpson County Public Schools; Sherry Powers, Eastern Kentucky University; Steven Scrinver, Novus Medical Education; Leigh Snell, Madison County Public Schools; Carmen Souder, Laurel County Public Schools; Josh Troser, Knox County Public Schools; and Julian Vasquez-Heilig, University of Kentucky.

FOUNDATION FOR A HEALTHY KENTUCKY
■ Millicent Harding-Thomas and Kim Phelps have been named as members of the Foundation for a Healthy Kentucky’s Community Advisory Council. Harding-Thomas is the director of cultural diversity at Maysville Community and Technical College. Phelps is senior director of communications and public relations for Warren Rural Electric Corp. in Bowling Green.

KEENELAND
■ Keeneland has announced four new additions to the racetrack’s advisory board of directors: Gatewood Bell, president, Cromwell Bloodstock; Aisling Duignan, director of bloodstock, Coolmore America; Garrett O’Rourke, general manager, Juddmonte Farms; and Sarah Reeves, member, Stoll Keenon Ogden.

KENTUCKY AIRPORT ZONING COMMISSION
■ Lindsey Case, of Louisa, has been appointed to the Kentucky Airport Zoning Commission.

KENTUCKY ASSOCIATION OF COUNTIES
■ Madison County Judge-Executive Reagan Taylor has been named president of the Kentucky Association of Counties (KACo).

KENTUCKY CHAMBER OF COMMERCE
■ The Kentucky Chamber of Commerce has announced its board of directors and executive committee for the 2021 term: Chair – Winston Griffin, Laurel Grocery Co., London; Chair-Elect – Diane Medley, MCM CPAs Advisors, Louisville; Immediate Past Chair – Nick Rowe, Kentucky American Water, Lexington; Treasurer – Janet P. Jakubowicz, Dentons Bingham Greenebaum, Louisville; Vice Chair, Administration – Mike Castle, Alltech Inc.; Vice Chair, Business Services – Scott Davis, Field & Main Bank, Henderson; Vice Chair, Membership Development – Garren Colvin, St. Elizabeth Healthcare, Edgewood; Vice Chair, Public Affairs – Nick D’Andrea, UPS, Louisville; Small Business Representaive – Conrad Daniels, HJU Supply Chain Solutions, Louisville; Chair, Kentucky Chamber Foundation – Kevin Smith, Beam Suntory, Clermont; At-Large Members – Spencer Coates, Houchnis Industries, Bowling Green; Susan Elkington, Toyota Motor Manufacturing, Georgetown; Candace Mcgraw, Cincinnati/Northern Kentucky International Airport, Erlanger; and Mark Newman, UK Healthcare, Lexington. Newly elected directors include: Calvin Barker, BB&T, Louisville; Kimra Cole, Columbia Gas of Kentucky Inc., Lexington; Chad Harpole, Century Aluminum of Kentucky, Hawesville/Georgetown; Jason Keller, Charter Communications, Louisville; Amy Luttrel, Goodwill Industries of Kentucky, Louisville; Candace Mcgraw, Cincinnati/Northern Kentucky International Airport, Erlanger; Bill Mudd, Churchill Downs Inc., Louisville; Lennie Rhoades, Big Ass Fans, Lexington; Cathy Waddell, Nucor, Ghent; Kennan Wethington, Anthem Blue Cross and Blue Shield of Kentucky, Louisville; Elmer Whitaker, Whitaker Bank Inc., Lexington; Sandra Wilson, Paducah Chamber of Commerce, Paducah; and Bobby Clue, Somerset-Pulaski County Chamber, Somerset.

KENTUCKY COMMISSION ON MILITARY AFFAIRS
■ Lynce Thorpe-Noel has been appointed to the Kentucky Commission on Military Affairs.

KENTUCKY HOUSING CORP.
■ P.G. Peeples has been appointed to the board of the Kentucky Housing Corp. Peeples, of Lexington, is an executive for the Urban League of Lexington.

KENTUCKY LOCAL GOVERNMENT PUBLIC-PRIVATE PARTNERSHIP
■ Tom Halbleib Jr. has been appointed to the board of directors of the Kentucky Local Government Public-Private Partnership. Halbleib is a member (partner) with the Louisville law office of Stites & Harbison PLLC.

KENTUCKY REAL ESTATE COMMISSION
■ James King, president of King Southern Bank, has been appointed to the Kentucky Real Estate Commission.

KENTUCKY REGISTRY OF ELECTION FINANCE
■ Adrian Mendiondo, a Lexington attorney with Morgan & Morgan, has been named to the Kentucky Registry of Election Finance.

KENTUCKY WORKFORCE INNOVATION BOARD
■ Gov. Andy Beshear has appointed the following individuals as members of the Kentucky Workforce Innovation Board: Lt. Gov. Jacqueline Coleman, Secretary J. Michael Brown, Governor’s Executive Cabinet; Secretary Larry Hayes, Cabinet for Economic Development; Secretary Larry Roberts, Labor Cabinet; Commissioner Jason Glass, Kentucky Department of Education; Heidi Margulis, Humana; Jacqueline Korengal, Office of Adult Education; Lori Ulrich, Fleming-Mason Energy; Sadiqa Reynolds, Louisville Urban League; Bo Matthews, Barren County School District; Terry Sexton, Boilemakers; Ryan Hones, EIH Consultants; Scott Pierce, Operating Engineers; Cora McNabb, Office Vocational Rehabilitation; Kurtis
The Leadership Louisville Center has announced its newly elected officers and members of its board of directors: Chair – Chris Whelan, LG&E and KU Energy LLC; Chair-Elect – Condrad Daniels, HJI Supply Chain Solutions; Vice Chair – Debra Clary, Humana Inc.; Vice Chair – Jennifer Hancock, Volunteers of America; Vice Chair – Dan Rivers, Northwestern Mutual; Vice Chair – Victoria Russell, Papa John’s International Inc.; Secretary/Treasurer – Greg Pope, EY; Immediate Past Chair – David Hardy, CBRE; Counsel – Geoffrey White, Frost Brown Todd LLC. Cynthia Knapek serves as president of the Leadership Louisville Center. Newly elected directors include: Elaine Gravatte, D.D. Williamson; Julie Grunduski, GE Appliances, a Haier Company; and Sean O’Leary, Edj Analytics. New ex-officio directors include: Billie Castle – president, Louisville Urban League Young Professionals; Rudy Ellis III – president, Young Professionals Association of Louisville (YPAL); and Sadiqa Reynolds – CEO/president, Louisville Urban League.

LOUISVILLE REGIONAL AIRPORT AUTHORITY

The following individuals have been appointed as officers for the Louisville Regional Airport Authority: Chair – Dale Boden; Vice Chair – Pat MacDonald; and Secretary-Treasurer – Nikki R. Lanier.

MERCY HEALTH FOUNDATION – LOURDES

Mercy Health Foundation – Lourdes in Paducah has added three new members to its board of directors: Shonda Hollowell-Burrus, dean of students, Paducah Tilghman High School; Kevin Kauflfeld, president, Independence Bank; and Blake Summarell, certified financial planner, Edward Jones.

MOREHEAD STATE UNIVERSITY

Morehead State University has announced its officers for the 2020-2021 board of regents: Chair – Eric Howard, Vice Chair – Sanford Holbrook; Treasurer – Mary Fister-Tucker; and Secretary – Jacqueline Graves.

NATIONAL RURAL ECONOMIC DEVELOPERS ASSOCIATION

Brad Thomas has been named to the board of directors of the National Rural Economic Developers Association. Thomas is the economic development manager for Kentucky’s Touchstone Energy Cooperatives.

SOUTHERN REGIONAL EDUCATION BOARD

Felicia Smith has been appointed to the Southern Regional Education Board. Smith, of Frankfort, is an educator for National Geographic.

SPECIAL NEEDS ALLIANCE

Jefferey Yussman has been named president of the Special Needs Alliance, a nonprofit association of attorneys that serves individuals with disabilities and their families. Yussman is a partner with the law firm of Wyatt, Tarrant & Combs LLP.

STATE HIGHER EDUCATION EXECUTIVE OFFICERS

Aaron Thompson, head of the Kentucky Council on Postsecondary Education, has been appointed to the executive committee of the State Higher Education Executive Officers, a national advocacy group focused on higher education policy.

ST. CLAIRE HEALTHCARE

Dr. Marie Dennison and Angela M. Gates have been appointed to serve on the board of directors at St. Claire HealthCare in Morehead. Dennison is a board-certified family medicine physician at St. Claire Family Medicine – Morehead. Downtown. Gates is a partner with the Northern Kentucky law firm of Dressman Benzing LaVelle (DBL Law), where she heads the banking and commercial law division.

THE NEST CENTER

The Nest Center, a nonprofit organization in Lexington that supports women, children and families, has announced its new board members for the upcoming year: Tobie Brown, WLEX 18; Nubia Beckett, insurance agent; and Patricia Crosby, Hunt Advantage Group.
The Lane Report: The bourbon industry has been in boom mode for 15 years or more. Is there an expectation at Maker’s Mark for how long this growth will continue?

Rob Samuels: It is humbling for us because while we celebrate the resurgence of American whisky and what it means to Kentucky, my first day in the industry my dad said, “You need to savor this moment in time.” When he first got into the business (in the early 1970s) there were distilleries in Kentucky literally knocking warehouses down because they could not afford to maintain them. Here at Maker’s Mark, as we think about the future, it is really inspired by our founder Bill Samuels Sr.’s vision. Our family has made whisky for hundreds and hundreds of years. We were farmers and made whisky in Scotland for quite some time. Then we were farmers and distilled from grain in Pennsylvania. What we have today is all because of Robert Samuels, whose portrait hangs on our wall here in Loretto. We have authentic records that Robert Samuels distilled from grain in what would eventually become Kentucky in the 1700s.

My grandparents paid $35,000 in 1952 for hundreds of acres. It is hard to imagine today, but at that time bourbon whisky was in a very different place. So much of the category had its rightful place on the bottom shelf; there were no refined national premium bourbon brands—they did not exist. When my grandfather came here, it was hard to imagine someone getting into bourbon who did not have a business ambition, but his inspiration was only related to the organoleptic (qualities that create a sensory experience). In this world

The Most Important Bourbon Brand Ever

Maker’s Mark is focusing on Kentucky culture, natural assets as it continues building on its founding vision, Rob Samuels says.

LANE ONE-ON-ONE

Rob Samuels is managing director of Maker’s Mark. Continuing his family’s legacy as an eighth-generation whisky maker, Samuels is chief distilling officer and previously served as chief operating officer and director of brand development. He was Florida territory manager and Ohio state manager with Allied Domecq Spirits and Wine. His grandparents founded Maker’s Mark Distillery on Star Hill Farm in the 1950s. In leading the distillery since 2010, Samuels has remained true to the process that has defined his family’s brand, while also introducing Maker’s Mark Private Selection and Maker’s Mark Cask Strength, the industry’s first custom-barrel program and championing exploration into the science of flavor with its Wood Finishing Series. He has driven environmental stewardship efforts for the entire distillery property that include a protected watershed, the industry’s only LEED-certified whisky cellar, and innovative research underway into forestry, grains and best practices in land management. Samuels holds an undergraduate degree from the University of South Carolina and is also an alumnus of the University of Chicago (CEI) and the Harvard Business School (GMP).
of American whisky that was a little rough, aggressive and bitter, could he elevate American whisky to a place it had never been before?

He obsessed in the distillery. He chose this site not because of the rolling hills, beautiful stream and the charming aspects of the property, but on the other side of the ridge over there is the water source—and to our knowledge this is the only distillery in Kentucky that has its own water source. We have a 14-acre spring-fed lake; a pipe at the bottom of the lake goes straight into the distillery. Today we manage almost 700 acres as a nature preserve and water sanctuary. Fundamentally, he chose this site because of nature. Each and every step of the process was intentional to build flavor. Our first barrel of Maker’s Mark went into the warehouse in 1953, and then we waited—for our bourbon to age. Imagine overhead expenses month after month, year after year, with no sales, a P&L (profit and loss statement) with no “P.” They waited almost six years for those barrels to age.

Keeneland Racecourse in Lexington was our first customer and were it not for consumers and customers throughout Central Kentucky, Maker’s would not have survived because the market was in a different place back then. There was a wonderful moment of discovery in the early 1980s when The Wall Street Journal, center column, front page, featured a story on this quirky little distillery in Marion County, Kentucky, that goes against the grain to make its Mark. The WSJ said, “Maker’s Mark is a model of inefficiency by choice,” which is exactly the way that my grandfather thought about his creation. His goal was never to be the biggest or be the most efficient; it was this deep, overriding commitment of a flavor vision. It is not lost on me and our team that here we are in 2020 and a man who was not a businessman, which he was not, ultimately changed the course of the industry.

There was this awesome moment a couple of years ago when Food & Wine magazine brought together 30 or so brand owners, master distillers and whisky writers, and all but two recognized that Maker’s Mark is the most important bourbon brand that has ever been made. When my grandparents stood up here on the hill and looked down at this valley, their vision was about more than creating one brand.

My grandfather focused on the distillery, and my grandmother did everything else. Before distilleries, she thought about hospitality and hosting. Engineering and manufacturing sites are always designed by engineers who focus on functionality. She was the one who said that if the place were to celebrate the richness and the distinctiveness of his whisky, the place would become the soul. He did not like marketing; he thought marketing in the traditional sense of screaming to promote your brand was rude. He was a Southern gentleman and he thought they would only talk to interested folks, but once they are interested we will treat them like family; there is no more endearing way to have folks into your home to connect. She set up this entire property in the very beginning with the idea of welcoming friends to come visit. It is one of the reasons she would be one of the first females ever from a distillery to be inducted into the Kentucky Bourbon Hall of Fame. Bourbon author Fred Minnick said in his opinion, “She is the most underappreciated figure in the history of whisky.” My grandmother also created the name and design of the bottle. We still have the original bottle design at the distillery, and the Smithsonian has asked us to donate it to them.

What is exciting to all of us is that the culture of Kentucky we have always cherished and been so passionate about—which includes bourbon, music, food, hospitality and Thoroughbred racing—is today interesting to people all over the world. We host people every day who can go anywhere and do anything, but they decide to come to Kentucky. As far back as I can remember we have always hosted visitors. When I was growing up it was primarily a lot of retirees, mostly from Kentucky, and they would come to see us primarily because it was a free tour, but now it has become a destination tour.

In the world today, so much of everything is created by a marketer. An advertising agency or a marketing team envisions a white space and will create something, and once they have what they think is a compelling idea they go ask a site to make it. Maker’s Mark was born out of the vision and the tenacity of a craftsman and his wife, and it is real. Folks are drawn to things that have soul, depth and authenticity. It is honoring our founders’ legacy to stay true to who they were. We talk about it as the founding vision. It is less about the stories of the past, but it is much more about the clarity it gives us for the future.

While Maker’s Mark started as a hobby, we essentially did not have any revenue for 25 years, and once the WSJ article came out we have sold every drop of bourbon that has been available every single year since 1981. My father’s greatest legacy is after many, many years of no growth and a long bumpy road of no customers, we started to grow. He chose to expand our distillery but stay true to our founding vision. He resisted the temptation to scale up in the most efficient way possible, which would have let us make more and reduce our cost. In the 1990s he spent an extra $10 million to build a second distillery that was identical to the first one. It is a mirror image: The same equipment, same process, equals the same consistency. Then seven years ago we built our third distillery, exactly like the first two. The distilleries we
have are identical triplets. It is also worth mentioning that we have always only ever been a single source of supply, which means every drop of whisky that has ever been in a bottle of Maker’s Mark we made here.

TLR: Talking about financials, what is the percentage of domestic sales vs. foreign? Does Maker’s Mark ship more to foreign markets?
RS: We have had a demand for Maker’s Mark globally for a long time, but we have not had the supply until now. When we share the Maker’s Mark story in Paris, Moscow or London, folks respond to it in the same way that they do here in Kentucky. In the long term there is a nice opportunity to take Maker’s Mark all over the world, but today we sell 85-90% in the U.S. The reason is that we have continued to grow our home market. Slowly, we are starting to share a little bit more each year in leading cities around the world. What is exciting is just the enthusiasm that you see from consumers. The value system of what Maker’s Mark represents, the uniqueness of what is in the bottle, resonates with our friends all over the world in the same way it does here in Kentucky.

TLR: Maker’s Mark has been the tip of the spear when it comes to marketing bourbon outside of Kentucky. Does Maker’s intentionally want to be the category leader?
RS: We had about a 25-year head start before the next big distillery started thinking about creating a brand that would be positioned at a higher level. Another aspect of the brand that I am proud of is the consistency of the spirit. I think we have made one of the more consistent whiskies that has ever been made anywhere in the world. What sets Maker’s apart is that we are a single source of supply, our expansion, rotation of every barrel during the maturation process, and bottling-to-taste by way of our tasting panel.

I love that this is a brand and a place since the beginning that has had a higher purpose. The founders were adamant that we give back to the community and started giving back in the surrounding 30 miles, but as the brand has become more celebrated the charity expanded. We are so honored to partner in communities to serve them when they are under pressure. For example, in the last 15 years or so with Keeneland we have raised north of $10 million for causes throughout Central Kentucky.

On March 16, when the governor made a very difficult decision to close bars and restaurants across Kentucky, the service industry was hit hard. On that day, Chef (Edward) Lee of Louisville turned 610 Magnolia (his Southern restaurant) into a relief kitchen. We (previously had) partnered with Chef Lee in support of minority chefs and helping support their progression in the culinary world. The bartenders and servers have no safety net, and within three weeks we had expanded from one relief location to 22 cities, and have fed hundreds of thousands of meals to members of the service industries and their families, contributed significantly from a financial standpoint. The profile of our brand has led to other high-profile companies stepping up in a meaningful way. It is some of those aspects of leadership that are important to Maker’s Mark.

TLR: With the three distillery lines, is Maker’s Mark producing as much as possible and selling 100% of your capacity?
RS: During the pandemic, we have had some stops and starts for brief periods, but we are operating generally at full capacity. We are planning for a very bright future for Maker’s Mark around the world. Foundationally, we have been obsessed with quality and consistency. As you think about innovation, up until 10 years ago we were the only distillery in the world to create his perfect expression of Maker’s 46 was created 10 years ago by my father. The idea for 46 was within cask strength Maker’s Mark: If you were in the warehouse and had a sample of Maker’s at full maturity, straight out of the barrel, uncut, unfiltered, what would be the taste characteristics and flavor camps that you love the most? He wanted to create his perfect expression of who Maker’s Mark could become. Through lots of experimentation with wood finishing, the profile of 46 finishing today is from 200-year-old French oak seasoned for almost three years. We created a (wood) searing oven that is half the size of this conference room, a proprietary searing oven. We could hardly have envisioned a more difficult process! Then we found it (the flavor result) is time and temperature sensitive, which means we had to build a cave.
We went 85 feet into the limestone shelf (of the ridge) and created our industry’s first-ever temperature-controlled aging cellar.

That led us to think, what would it look like if we let leading restaurateurs of the world have exactly this same opportunity to design and make their own perfect expression of Marker’s? That idea led us to create our industry’s first-ever custom barrel program. In addition to finishing staves for 46, we have four additional finishing staves, all cut differently, ‘cooked’ differently, but designed with purpose to amp up the unique flavor aspects that live within Maker’s Mark. We have leading restaurants of the world come here and design and make their perfect expression.

**TLR:** Your grandfather went into this and it was seven years before he ever even sold the first product. The whole sector must operate today based on market expectations of four to 10 years down the line. How do you come up with your forecast?

**RS:** We spend more time thinking about the 10-year vision than next month or the next quarter. We are in it for the long term and we are limited in ways others are not, which is we are a single source of supply. It can be common in the industry for different brands and distilleries—if they make too much or make too little—to buy, sell or trade it around from one another. We have never done that. Our brand has been built in stages. This is 60-plus years since the founding, and we literally sold every drop available for 30 years essentially in Kentucky and maybe surrounding cities. Then when Maker’s Mark finally began to grow, it was in the leading restaurants in America. But it was everywhere in America; it was not just New York, it was New York, LA, Chicago, and within those cities it was a certain style of account where folks were willing to look for something more special. And now for 25 years it has been slowly, steadily nurturing that along. And the next chapter of the brand’s life is staying true to the founders’ vision but building a global brand. We plan for that vision.

**TLR:** Last year, pre-COVID, visitation across the Kentucky Bourbon Trail increased 23% in one year. What is your strategy for participating in the bourbon tourism market?

**RS:** They could choose to go anywhere, take their family to Las Vegas or New York or wherever, and to see them come here and to exceed their expectations is a lot of fun. Pre-COVID we were at about 160,000 visitors, but we’re very careful not to define our success on a number of visitors. We want to define our success based on quality. We love the fact that you have to work hard to get here. We would rather mean a lot to a few and treat you really really well versus … having the masses.

Our vision for the distillery is to create the most culturally rich and endearing environment possible for any home place of any brand in the world. We have hosted friends here since literally before the brand was born. Some of those early years when those first barrels were maturing over time, my grandparents would host curious friends, folks from the community who were just intrigued by what they were doing. Hosting has been important here since day one. The distillery itself today sits on less than 5% of our property. While we are planning for a future, the good news is that many of our guests, when they find us a little off the beaten path, don’t want to leave.

Five or six years ago, when the state allowed us finally to serve cocktails, the day that law passed we decided to open a nice high-end culinary and cocktail program. We sourced all the ingredients locally. We brought someone over from London, England, who had been responsible for managing some of the leading bars and restaurants in London, and she is living in Bardstown and partnering with Chef Newman Miller to lead our culinary and cocktail program. We have art on display by dozens of different artists. Some are local Kentucky artists and some are well-known artists. We have plans in
The University of Kentucky pulled a tissue sample last year from a 400-year-old American white oak tree, and for the first time a team within the university will map the reference genome for the American white oak. If there is ever pressure on this tree, you are seeing with the ash tree, the scientists will have a deeper understanding and be able to build resiliency into the American white oak. There are 300 different variations of American white oak along the Eastern Seaboard, and on 23 acres here on Star Hill Farm we are going to create the first-ever oak repository in America, where we will plant 30 of each of the 300 variations. So, we will have more than 9,000 American oak trees planted on the farm.

**TLR: Are there expectations the brand will grow to include a Maker’s Mark hotel or other ventures like that?**

**RS:** We are imagining a future where we can continue to take steps towards being a destination. All those plans would be to delight our customers, the majority of whom—I think 85% of our guests—are coming in from out of state. We have a talented design team whose efforts we continue to invest in improving the facility and infrastructure to host more folks but enrich the experience along the way. As an example, we are just finishing our second Private Select tasting room. It is tucked in the woods overlooking our water source. It is designed to be LEED gold (Leadership in Energy and Environmental Design, the rating system used by the U.S. Green Building Council to measure a building’s sustainability and resource-efficiency), with a sod roof, built with the creek stone from the property. It is all glass, right on the water, where you can design your whisky with the lake as a backdrop. We also just cut in four miles of trails so you can hop in our solar-powered golf cart with a team member and get into nature. We also are planting an orchard and other environmentally friendly additions.

**TLR: Let’s switch gears and ask a couple of bourbon questions. When was the first time you tasted bourbon?**

**RS:** On my 21st birthday, of course! I do remember being curious at a young age; I do not remember what age, but I remember being curious. When you are in this industry with a family legacy, it is not a 9-to-5 job; you live it all the time, which is what I remember. It was every waking moment not just for my dad but for my mother. She would have groups to the house several times a week where she would help entertain. I tease her that she has served more Maker’s Mark than anyone in Kentucky, maybe the world.

**TLR:** Currently, what is your favorite cocktail made with Maker’s?

**RS:** We released the 101 proof Maker’s Mark, which is in limited availability, mostly in overseas airports. My grandfather enjoyed that recipe sometimes during the holidays. It is unfiltered, a nice midpoint for a proof. Maker’s classic is 90; our cask strength is about 110. I poured 101 proof over a block of ice the other night and that is a nice proof point for my palate. I love a Manhattan, with a vermouth that is complimentary. Some of these vermouths are so big and bold that they try to dominate the cocktail.

**TLR:** As bourbon continues to grow in popularity and the new drinkers come of age, as a brand, how do you look to capture that next market?

**RS:** We stay true to who we are; we do not try to be somebody we are not. Fundamentally our approach has never changed, which is to talk in a meaningful way to one customer at a time and build a solid relationship vs. skimming the surface with the masses. I think offering things that are unique and pioneering helps us. We will not push new ideas out if we do not believe in them. Can we take shortcuts? Of course, but we stay true to our heritage.

**TLR:** How did the dipping and the design of the bottle all that come about?

**RS:** Go back to the ‘50s and the idea of waiting for those barrels to mature over time. My grandfather would sit right here in this office. He was the tasting panel, and he would keep his fingers crossed that each batch was constant as he tasted his whisky through the months. Almost casually one morning over breakfast, my grandmother asked what he was planning to name his new handmade, elevated bourbon.
I think in his mind he was going to name it after the family, which is what everybody did. She said you might not want to do that because we owned a whisky brand for a century called T.W. Samuels and she thought that might generate confusion. He was running away from that brand; my grandfather torched the 160-year-old family recipe in a copper bucket that still sits in our conference room today. He agreed and put her in charge of the name and bottle design.

She was a passionate collector of English pewter. She would talk a lot about how the craftsmen and women on the proudest pieces of their handmade pewter would always make a mark to celebrate. It was called “the mark of the maker.” She suggested that he had gone to greater lengths than any whisky maker in the world and that he should make his mark. So out of that discussion, the name was created. So, the Maker’s Mark is the “Star SIV,” and it is also blown into the bottle. The S is for the family, Samuels. He was a registered fourth-generation whisky maker in the commonwealth of Kentucky, so that is how the IV, the Roman numeral for four, came into the design. The star is for Star Hill Farm, which is what Robert Samuels, my namesake, named the farm when he settled on a land grant before Kentucky existed.

To my grandmother’s point, she wanted to design a name and create a bottle design that would celebrate the essence of his handmade whisky. She was adamant that every label be printed, torn “by hand.” She decided to spell the word “whisky” as the Scotch distillers did—the Americans and the Irish always spelled the word “whiskey” with an “e”—in celebration of the Scottish legacy. She said what better way to finish the handmade touch than to hand dip each and every bottle in red sealant wax. She said that way, each bottle would be a little unique and different and special from the next.

MG: Are you the driving force in keeping Maker’s Mark Kentucky-centric?
RS: I think it is in the DNA of Maker’s Mark to do the right thing. It is very much in the DNA of this brand to give back to the community. As we grow a little bit over time, having a higher purpose at the center of our brand has always been important. It is very important to me today; this is an aspect of what we do that gets me most excited for the future. If we go global, what sort of impact on the world can we have? That is very motivating to me. Sustainability is part of that. Are we doing everything we can do and should do for natural resources? It is important, we talk about it every day.

MG: How do you maintain the local flavor and protect the brand when your parent company is a global operation based in Japan?
RS: Suntory is a family-owned company. Suntory today is in many different businesses, but their heart is in whisky. Their forefathers founded Japanese whisky; Japanese whisky did not exist until their family. So, they share our values. The things that get me excited are the same things that get them excited.

MG: Do the leaders of the distillery companies meet to discuss common industry issues? Is there a formal structure?
RS: Yes, all but one of the heritage distillers are members of the Kentucky Distillers Association. This association has been important to bourbon’s success. We do not have to agree on every topic, but we work together to have one voice. That has been helpful for Kentuckians, especially the leadership in Frankfort, to view the industry for its real impact. Here we are in Marion County, Kentucky, and I think we pay our team members 50% more than the next highest manufacturer.

MG: Are there any public policy actions that would benefit the bourbon industry?
RS: Kentucky taxes on spirits are higher than any state in America, so that might be an opportunity. Social responsibility has become important to everyone in the industry. We are getting much greater cooperation from Democrats and Republicans who are starting to see the industry for the impact, jobs, tax base and culture.

After my dad retired, I met with a political leader in Frankfort who said, “Rob, your industry is nice, but it is not a signature industry.” That same politician a couple of years gave a speech and said, “Bourbon is our only signature industry.”
ADVERTISING is all around us. Television, radio, print, digital and outdoor messages are everywhere. It’s estimated the average American adult is exposed to between 4,000 and 10,000 advertisements each day. With so many messages, it’s a challenge for companies to be seen and remembered.

Kentucky boasts a dynamic advertising scene, with award-winning agencies creating eye-catching campaigns and managing multimillion-dollar budgets for some of the most recognizable brands in the country. We asked some of the area’s top advertising executives just how they do it, what makes for an effective ad campaign, and where they see advertising going in the future.

What kind of market is Kentucky for advertising agencies?

**Toni Clem, CEO, Scoppechio:** Kentucky is home to multibillion-dollar companies like Humana, Baptist Health, Brown-Forman, GE Appliances and Fruit of the Loom. Companies like this help to create a robust business environment that generates opportunity for advertising agencies across the state. We love being based in Kentucky, as we’re able to provide an extraordinary value exchange when competing with agencies that might be based in more expensive cities like New York or Chicago.

**Tim Lucas, President, The Power Agency:** Kentucky—specifically Louisville and Lexington—has long been a strong and competitive playing field in the advertising market. There’s a lot of talent in all advertising disciplines found across the commonwealth and many top shops of all sizes are located in our state that help to cultivate and nurture that workforce.

**Rita Vest, President, Vest Advertising:** Historically, Louisville has been a great city for advertising agencies. However, since the pandemic several businesses have closed and/or cut budgets, therefore making it tough on all of us, new and old.
Stacey Wade, President/Founder, Nimbus Inc.: Kentucky is a tricky market for agencies. Like most markets, there’s a balance of agency vs. client and a continuous disruption of that balance, led by competition and opportunity. That being said, it’s extremely challenging to spin up an agency of scale in Kentucky.

Fred Davis, CEO, PriceWeber: Kentucky businesses are becoming increasingly sophisticated about their marketing plans, but a consolidation of companies over the last 25 years means that there are fewer large Kentucky-based businesses than there once were. That creates a business environment that is both exciting and challenging. If Kentucky-based advertising, PR, and marketing firms want to continue to compete, they must work hard to stay at the forefront of creative strategy, marketing technology and customer service.

How advertising savvy are most of your clients? Do they come to you already knowing what they want or are they looking to you for creative solutions?

Dan Barbercheck, President/Executive Creative Director, Red7e: Red7e clients are all over the map with regard to their knowledge and experience with branding and advertising. But all come to us looking for game-changing creative solutions. It’s what we’re pretty good at. It’s what we’re known for. In fact, we have found that if a client prospect already knows the answers, has no major challenges, or can generate big ideas themselves ... they choose a different sort of agency or handle much of their work in-house.

Allison Pitman, Partner, Bandy Carroll Hellige Advertising + Public Relations: Our clients are advertising savvy. Typically, they come to us knowing what they want to accomplish in terms of marketing, but they turn to us to look at it objectively and deliver creative solutions and big ideas that motivate their audiences.

Fred Davis, CEO, PriceWeber: Some of our clients are among the world’s most sophisticated marketers and some walk in the door saying they don’t know anything about marketing, but what they all share is a thirst for efficient business solutions that improve sales or lead to greater profitability. Agencies are expected to be adept at business analysis, consumer research and insights that go way beyond “focus groups.”

Stacey Wade, President/Founder, Nimbus Inc.: Everyone … is a marketer. Most of our clients are pretty advanced and understand the functions of marketing and how to get the best out of their agency partners.

Toni Clem, CEO, Scoppechio: We’re fortunate to represent a group of very savvy clients. They come to us looking for innovative solutions with a good sense of what their brand values are, and we facilitate quality in creative output and thought leadership.

Is it becoming harder to create advertising that stands out?

Christy Hiler, President, Cornett: Absolutely. The increase in media consumption during the pandemic has been game-changing for marketers. The amount of time people are spending online accessing current events, and global news increased 215% in March 2020 from March 2019. The volume of content people are exposed to and consuming is increasing at incredible rates. The solution is a strong creative.

Jonathan Payne, Chief Marketing Officer/Director of Accounts, NerdBrand: With the rise of ad blockers, browser privacy settings, and consumers generally being flooded with advertising, reaching the ideal audience through
standard digital ad platforms can be challenging. We’re seeing a lot of success with native advertising and user-generated content (UGC), especially in social media advertising. Blending in with the natural flow of the network or ad venue and being genuinely educational or entertaining is a key to standing out.

**Todd Spencer, President/CEO, Doe-Anderson:**

The advertising industry is going through unprecedented change, which has brought about two significant challenges. The first is the extraordinary proliferation of media channels that can be utilized to get a brand’s message out to the right audiences. The second challenge is the speed with which you have to develop great ideas and produce content. The good news is there’s more opportunity to create breakthrough ideas that target specific audiences across a variety of channels.

**Dan Barbercheck, President/Executive Creative Director, Red7e:**

Technology and other resources are actually making it easier to create advertising that stands out. An inspired and talented creative team can make great messages faster, cheaper and with more sophisticated elements than ever before. But the digital media market and the Google and Facebook protocols are making it much more difficult to get powerful messages delivered to mass audiences. Short message time lengths, small ad sizes, extremely busy environments, very narrow audience targeting, the imperatives to deliver “click bait,” rapid cycle optimization, the impatience of distracted digital device users ... all this and more limit the opportunities to deliver lasting impressions and truly compelling ideas.

**How do you develop ads that make an impact and reach through the clutter?**

**Ingrid Hernández, President, INgrid Design:**

Staying true to the brand and leveraging it is very important to communicating what they stand for and what they want to tell their audiences about the company. We always develop clever headlines, push brand consistency, and make things relate to audiences to help trigger interest and make ads stand out. Simplicity is always key—less is more—when trying to achieve a strong visual for an ad.

**Allison Pitman, Partner, Bandy Carroll Hellige Advertising + Public Relations:**

People make decisions based on emotion, then justify with logic. So, we work from three tenets: Have a deep understanding of the audience, find ways to engage them on their terms, and be authentic to the brand. If you do these things, you’re delivering what an audience is looking for and you’re outside the clutter.

**Dan Barbercheck, President/Executive Creative Director, Red7e:**

There is no formula, and only a little process. Everyone has the same tools for making ads. Everyone has the same challenges in making ads. And yes, it does all start with doing your homework about the product, the customer prospect, and the client organization. Beyond that, what differentiates good ad making from mediocre or lousy ad-making is personal insight, talent and passion. As with any profession, the best are those who fully commit those things to every project.

**Todd Spencer, President, Doe-Anderson:**

The one thing that hasn’t changed is the need for brands to uncover and communicate their unique stories in ways that are interesting and connect with consumers. If you have a solid strategy and great ideas, you can leverage the strengths of the various media channels to your advantage and create advertising that breaks through the clutter.
Can you effectively market a product, service, or business without using digital advertising today? How important is digital advertising at your agency?

Stacey Wade, President/Founder, Nimbus Inc.: Digital advertising is extremely important for us, especially given the audience that we target and the data that we can gather to effectively communicate with the consumer. For example, of the 67 million Twitter users, 28% are African American and 40% of African Americans are on Twitter. Knowing that and understanding that we have to meet our consumers where they are, digital and social are hugely important to our campaigns.

Ingrid Hernández, President, INgrid Design: Digital advertising is nowadays an integral part of any external advertising campaign. We have designed social media campaigns for our key clients and this need is growing tremendously. It is very important to us since we realize it is the now and the future. We are definitely dedicating more resources to it and planning how to strengthen our capabilities and offerings to our clients.

Rita Vest, President, Vest Advertising: I don’t believe you can effectively market without digital, but depending on the audience, we may need to use traditional also. Digital media is an absolutely necessary tool.

Tim Lucas, President, The Power Agency: There are always multiple avenues to market a product or service, and certainly there are many examples of campaigns that focus on traditional media outlets (print, TV, outdoor, radio) to effectively reach their target audiences. But digital advertising has impacted every aspect of how advertising agencies recommend and produce our content. It is of major importance at The Power Agency as we require a high level of digital literacy from our employees so that we are able to find the best solution—traditional, digital or a mix of both.

Jonathan Payne, Chief Marketing Officer/ Director of Accounts, NerdBrand: We’ve witnessed countless businesses struggle to make a digital transition over the past six months, because they neglected digital channels for so long. E-commerce is going to continue its uptrend and likely sustain much of the growth it gained during the pandemic. Customers expect to be able to shop online in some capacity, whether that’s researching products/services or actually purchasing online and having the item delivered. They’re hanging out on social platforms and reading news online. Adequately telling your brand’s story in digital environments is going to remain a critical component of business success.

Do you think advertising dollars will shrink or increase post-pandemic?

Toni Clem, CEO, Scoppechio: While you’ve seen some dollars shrink, you’ve seen some brands increase. Brands are impacted differently by COVID. We expect to see growth in some areas and a more cautionary approach with some.

Fred Davis, CEO, PriceWeber: Advertising spending is very sensitive to the overall economy, so it has taken a hit during the pandemic and the resultant economic decline. However, the pandemic has not repealed the necessity that businesses compete for market share. We saw a pickup in our clients’ spending in late August, and if PriceWeber’s limited sample tells us anything, the U.S. is in the midst of a strong recovery. We are very optimistic about the overall economy and our own business in 2021 and beyond.

Christy Hiler, President, Cornett: Before the pandemic, and most certainly after, brands were demanding that every advertising dollar go further. Marketers want and need agencies that can deliver big ideas and scale them based on quantifiable results. The businesses and brands that get creative will survive and thrive post-pandemic.
What major trends do you see on the horizon?

**Allison Pitman, Partner, Bandy Carroll Hellige Advertising + Public Relations:** I think you’re going to see increased emphasis placed on CRM (customer relationship management) as well as cause marketing or corporate social responsibility, because of the ability of these tactics to turn customers into loyalists or brand ambassadors.

**Rita Vest, President, Vest Advertising:** The role of chat and chat bots will grow because people are wanting more and more to chat before talking with a real person. Marketers are going to have to figure out how to approach new techniques in video marketing.

**Todd Spencer, President/CEO, Doe-Anderson:** We will see companies starting to dismantle the in-house agencies they’ve been building over the past decade and returning to external advertising agencies as they’re realizing this gives them better thinking and greater flexibility.

Data analytics, AI (artificial intelligence) and programmatic media buying will continue to enhance how agencies develop media plans, create content and measure effectiveness of campaigns. Digital and social media technology will continue to evolve at a rapid pace, with new players entering the space and some known names fading into the sunset. User-generated content and influencers will continue to play critical roles in how brands connect with consumers.

**Ingrid Hernández, President, INgrid Design:** More clever guerrilla marketing strategies and continuing use of influencers in social media to deliver impactful messages are continuing trends.

**Jonathan Payne, Chief Marketing Officer/Director of Accounts, NerdBrand:** As long as the pandemic is in the headlines, we’ll continue to see a significant transition to e-commerce and direct-to-consumer (DTC) models. We’re even seeing B2B (business to business) organizations that have maintained traditional outside sales operations for decades making a push to e-commerce. That’s partially due to the necessity of adding another revenue stream to compete effectively, but it’s also due to consumers expecting the option of purchasing online and having items delivered.

**Tim Lucas, President, The Power Agency:** With so much still unknown about how long our current reality will be in place, certainly events and transactions being driven online is where the innovations are trending. One aspect we are in the middle of with several of our clients is trade shows, and how the trade show concept will evolve as consumers are unable to gather or travel. Virtual trade shows are in their infancy right now, with varying degrees of success—so all are watching very closely.

**Christy Hiler, President, Cornett:** No matter what industry you are in, your plans for 2020 have shifted. Turbulent times bring with them mass mood swings. The ability to move quickly with culture offers brands a great advantage. It is important, then, for brands and agencies to be agile in developing messaging that can be easily, quickly and inexpensively executed and scaled.

When the marketplace is uncertain or unpredictable, the appetite for expensive production for messaging that in a matter of 24 hours may seem tone deaf or irrelevant is nonexistent. Brands need agencies that can quickly assess consumer mindsets, all available assets, and creatively chart the path forward. Having a partner with a process and structure for agility is essential moving forward.

Consumers are forcing brands to become more human, to listen to their bigger needs and become forces for good. They are putting their faith in and associating with brands that stand for something. They are purchasing and boycotting brands based on their values. Consumers are tracking brand actions and holding them accountable for the gap between the beliefs they have shared and the actions they are taking to live those beliefs.

Kym Voorhees Raque is a correspondent for The Lane Report. She can be reached at editorial@lanereport.com.
As the global battle against COVID-19 continues, Kentucky’s health care technology, service and products manufacturing industry not only fights the pandemic’s spread, it also spurs high-wage, impactful opportunities for thousands of Kentuckians.

“The innovative health care companies that call the commonwealth home are key partners on Team Kentucky. These companies are supplying nations across the world with the tools needed to beat this global pandemic, all while providing high-paying, rewarding careers for Kentuckians,” said Gov. Andy Beshear. “Whether it’s supplying devices, services, medicines and therapies, producing PPE or providing medical equipment, Kentucky’s health care companies continue to improve global health as we build a better Kentucky.”

One rapidly growing Louisville company, for example, delivers life-preserving ventilators and other much-needed medical equipment around the world. Avante Health Solutions, a health care equipment supplier specializing in affordable new and professionally refurbished products, underwent multiple expansions since 2015, including the addition of a new medical surgical division headquarters established last year. The company employs nearly 500 people nationally, with its Kentucky office comprising about a fifth of that workforce.

From Avante – including one the company donated – and the Bahamas, which installed hospital beds from Avante specifically for patients suspected of having COVID-19 and displaying mild to moderate symptoms. Avante is one of more than 200 health care related technology, service and manufacturing operations in Kentucky, an industry employing 37,000-plus Kentucky residents full time. Those operations include tech startups, six headquarters of top health care companies, pharmaceutical, medical equipment and medical device manufacturers and a number of health care products distributors.

Since 2014, health care companies have announced about 100 new or expansion projects expected to generate more than $645 million in investment and nearly 6,900 new jobs.

This year, approximately 100 manufacturing facilities in Kentucky used their expertise to make personal protective equipment – PPE – which is in high demand due to the pandemic. Some, like more than two dozen distilleries, which is in high demand due to the pandemic. Some, like more than two dozen distilleries, underwent multiple expansions since 2015, including the addition of a new medical surgical division headquarters established last year. The company employs nearly 500 people nationally, with its Kentucky office comprising about a fifth of that workforce.

The recently completed headquarters of Avante Health Solutions’ new medical surgical division headquarters helps supply medical professionals around the globe with equipment, such as these anesthesia machines.

Located in Louisville, Avante Health Solutions’ new medical surgical division headquarters helps supply medical professionals around the globe with equipment, such as these anesthesia machines.

Considering Avante serves over 150 countries, the company’s mission became even more critical amid the pandemic. Two recent examples include the Eastern Caribbean island of St. Lucia, which received 12 ventilators from Avante – including one the company donated – and the Bahamas, which installed hospital beds from Avante specifically for patients suspected of having COVID-19 and displaying mild to moderate symptoms.

While the industry currently sits in the spotlight, Kentucky has long supported a diverse health care sector, one that’s well-positioned for future growth. For companies looking to grow, Kentucky boasts an available skilled workforce, a key geographic location for distributing products in the U.S. and globally, and a range of office, manufacturing and Build-Ready sites available on www.SelectKentucky.com.

Kentucky also excels in medical equipment, supplies and pharmaceuticals manufacturing, which contribute over $530 million annually to the state’s economy. Kentucky’s manufacturing excellence complements a host of other business-friendly traits, said Jeff Taylor, commissioner of the Kentucky Cabinet for Economic Development’s department for business development.

“Kentucky’s manufacturing prowess, logistics leadership and strong R&D capabilities through its robust university systems are a few of the unique assets that make it an ideal spot for health care companies,” Taylor said. “This industry presents a wealth of economic opportunity, and we are leveraging our commonwealth’s advantages to support its continued growth.”

The state’s unparalleled logistics capabilities, as Taylor mentioned, pose enormous distribution advantages for businesses. Kentucky’s top-notch transportation infrastructure and its status as the only U.S. state with three major air cargo shipping hubs – operated by UPS, DHL and Amazon – enables businesses in the commonwealth to quickly and efficiently ship products across the country and around the globe. For companies dealing with products that save lives, that capability is essential.

To learn more about the growth opportunities in Kentucky, businesses should contact the Kentucky Cabinet for Economic Development by calling 800-626-2930, emailing econdev@ky.gov or visiting CED.ky.gov.
This unforgettable year 2020 marks The Lane Report’s 35th anniversary, a milestone we are excited to celebrate with our many friends and associates in the Kentucky business community. Heading down the homestretch of a year unlike any other, we feel ready for anything and are genuinely enthusiastic about what 2021 will bring.

**The Lane Report** thrives by helping Kentucky business toast its best practices and successes

**BY LANE REPORT STAFF**

This year brought momentous challenges, change and progress for The Lane Report. Our media platforms and the Kentucky business community have taken this 2020 journey together, and that will always be the case because we are your partner and we thrive when you do. Good things are in the offing. We are growing and improving, like you, and see good times coming!

In 35 years, our company has ridden favorable trade winds and navigated storms, including economic downturns, major technological advances like the advent of the internet; evolution in the media and communication industries; the passing of founder and publisher Ed Lane; and now even a global pandemic. We have explored and launched new products. And best of all, with excitement we announced new ownership in the spring.

Today we celebrate the ongoing evolution and improvement of our operations. More about that later.

Though it started as a one-sheet report on Central Kentucky business conditions, The Lane Report has evolved into a full-color publication distributed monthly across all 120 Kentucky counties. A number of other special publications have been or are now in the company’s portfolio as well. Our magazine, the print parent of today’s full-feature website, email blast and mobile options, was born in a different era technologically.
The Lane Report started in 1985 as a flyer produced several times a year to provide information to Ed Lane’s commercial real estate clients. At the time, his was the only full-service commercial real estate firm in Central Kentucky. Lane came to Lexington from Atlanta after extensive work as a site consultant with the parent company of Long John Silver’s when Lexington-based Jerrico was growing the fast-food chain to more than 1,300 locations around the eastern United States.

In Lexington, Lane operations grew to include real estate sales and leasing, property management, appraisals and auctions. Because his wide range of clients near and far kept inquiring about information on the region, he began publishing a
As a business leader from outside of Kentucky, I was unaware of The Lane Report. Once I moved to the Bluegrass, though, I quickly became aware of how vital The Lane Report is to Kentucky businesses. The magazine’s positive outlook and the reporting of timely topics keep the reader engaged, and for the many out-of-the-office leaders, Faster Lane delivers information on the go.

Since starting here in April, I have met some wonderful people and co-workers. The dedication that I see regularly is amazing. Even a global pandemic could not keep the team from seeking out timely and valuable stories to bring to you, the readers. The “Lane Team” continues to serve the state of Kentucky.

In recent months, we have updated our website, created new departments in the magazine, and increased our total page count to better serve our customers. All these valuable additions have come in just the last six months. Imagine what the future holds!

As a team, we continue to strive to bring the most up-to-date and essential news to Kentucky, whether it be through our website, magazine, email blast, market reviews or special publications. We know that businesses in Kentucky rely on our publications to help them make informed decisions. I can promise that the next 35 years will be bigger than ever.

I am excited to be a part of The Lane Report’s 35th anniversary. I know that we will be celebrating many more anniversaries in the future years. We are honored to be Kentucky’s business news source since 1985.

Business people, government officials and other decision-makers appreciated the clear and concise overview of what was happening across the state, and advertisers appreciated the cost-effective marketing opportunity to reach top leaders and decision makers in business and public policy through their ads with The Lane Report’s controlled circulation. Each issue has a significant pass-along readership as well because recipients find it so valuable they route it through their office and put it in common areas and public lobbies in their businesses.

In 2010, The Lane Report interviewed the founder for a special issue celebrating its 25th anniversary.

“I thought the magazine would be a valuable tool for our community—a good source of business information and a demographically targeted advertising medium. But The Lane Report has grown quite a bit more over the last 25 years than I initially expected. Our editorial coverage went statewide in 1997. Our reporting touches every part of the state, and the response from our readers has been very enthusiastic,” Ed Lane said in the interview.

To facilitate discussion of and progress on issues facing the region and the state, he launched the magazine’s centerpiece question-and-answer format interview, the Lane One-on-One. Over the years, The Lane Report has interviewed scores of Kentucky business and public policy leaders, including Kentucky governors, senators, university presidents, CEOs, bank chairmen and major developers, but also up-and-coming entrepreneurs and leaders in the arts.

Jessica Merriman
Vice President of Production

In 1998, I started work for a pre-production company just as magazine production was starting to become digital. One of my first jobs was to work on pre-production of The Lane Report. Several years later, I was thrilled to see an opening for the creative director position at TLR. I knew the company was a strong influence in Kentucky business news, and that was exciting to me. I wanted to learn, to be a part of such a strong company with a powerful brand. I have been fortunate to be part of The Lane Report team for over 13 years now. Our team is small and dedicated to delivering the best business news product in the market, and in my role, I get to make sure that the magazine keeps a consistent appearance, with great graphics, images and advertisements that enhance the publication’s quality. I am excited to see what the next 35 years has in store for The Lane Report!

Jake Kratzenberg  Chief Operating Officer

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The opposition, for the rest of his life.

Urban County Council. They re-elected him to the Lexington-Fayette Urban County Council, where Lane, too, was a member and the pair had built an enduring bond. The Lane Report tenure, however, came this March when Lexington businessman Kevin O. Stinnett acquired the company. The owner of thriving wealth management and insurance firms, Stinnett also had 14 years experience on Lexington-Fayette Urban County Council, where Lane, too, was a member and the pair had built an enduring bond.

Stinnett immediately invested in expanding and improving our products and positioning the new Lane Report Inc. for our next and best chapter. Get ready, Kentucky. Our best days are ahead!

Like most media sites around the nation, The Lane Report created an online platform for its content in the late 1990s. For years LaneReport.com has posted the magazine’s monthly content and that of its specialty publications such as community profiles; NEXT, an annual publication outlining college and career options for high school students; annual market reviews of Central Kentucky, Greater Louisville and Northern Kentucky; Prep, a magazine focused on the restaurant sector; and BG, which highlighted young professionals and creatives and the opportunities they were embracing.

In 2011, Lane expanded its digital operations by posting breaking news content during the business day and creating the free FasterLane email blast to provide ongoing updates of interest to the Kentucky economic community.

All of these information channels presented opportunities for

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Mark Green Vice President(Editorial Director)

It was my good fortune to connect with The Lane Report in 2007 when networking to return to Kentucky after years working out-of-state at newspapers. I wasn’t smart enough then to be actively seeking out a quality niche publication like the statewide business magazine Ed Lane had built. But it was the best place I could have landed.

Work after journalism school at UK had begun at a tiny weekly publication that famed commonwealth journalist Al Smith had in Brentwood, Tenn., followed by a couple of years in Tazewell, Tenn., at a weekly clustered with the dailies in Middlesboro and Harlan, Ky. After the New York Times Co. acquired those properties, there was 25 years at NYT Co.-owned dailies in Thibodaux, La.; Ocala and Lakeland, Fla.; and Houma, La., doing some of everything—reporting, editing, curating a diverse opinion page, running the copy desk, being webmaster and even lifestyles editor. I’d been up the holler, down the bayou and all over diverse Florida, including four years in its horse country.

In a changing marketplace, The Lane Report thrives because it reports Kentucky-focused business news no one else provides. I was “a good fit” because I value how The Lane Report plays a constructive role in the state information landscape, sharing success stories and best practices specific to issues in our commonwealth.

We experimented. We launched young professional-oriented magazines centered on Lexington and Louisville. We ramped up our website to post daily Kentucky business news and began sharing it in the FasterLane email blast. We added an annual Northern Kentucky Market Review, joining sibling publications for Central Kentucky and Greater Louisville.

Ed Lane’s passing in 2015 seemed sudden because his upbeat enthusiasm never wavered; in eight-plus years I never saw him angry or heard him raise his voice. His example taught that the trust necessary for healthy relationships, professional or personal, arises from showing others you understand their needs and want to help, whether via advice, action or your business services.

The highlight of my Lane Report tenure, however, came this March when Lexington businessman Kevin O. Stinnett acquired the company. The owner of thriving wealth management and insurance firms, Stinnett also had 14 years experience on Lexington-Fayette Urban County Council, where Lane, too, was a member and the pair had built an enduring bond.

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Hal Moss Senior Marketing Strategist

Serving as senior marketing strategist at The Lane Report is a joy and I look forward to my work each day. I get to engage with Kentucky’s top business leaders across all sectors in Kentucky. I enjoy partnering with businesses across the state, learning about their new initiatives, and creating unique brand-awareness campaigns. We have exciting new media platforms to roll out in 2021 that will enhance each client’s messaging to our statewide audience.
Karen Baird Senior Editor

I am fortunate to have been part of The Lane Report team for nearly 25 of the publication’s 35 years. When I first joined the staff, The Lane Report covered only the Central Kentucky region and I can still remember discussions with our founding publisher, Ed Lane, about the merits of taking the publication statewide. The main point we talked about then remains pertinent today: Covering the business news of the entire commonwealth provides our readers with a perspective that they simply do not find anywhere else.

Prior to joining The Lane Report, I covered business and community news for the Atlanta Journal-Constitution and worked in corporate communications for Delta Air Lines. I have always loved working in news because each day is filled with something new and interesting. One of the aspects of my job that I enjoy most is researching and compiling the magazine’s Fast Lane section for each issue. Fast Lane provides readers with a quick way to catch up on the major business developments taking place in communities across the state, from Pikeville to Paducah and all points in between. That overview provides insights into economic trends that can play an important role in decision-making for business professionals and community leaders. For instance, well before Kentucky and the nation moved into a deep recession in the late 2000s, signs of a slowing economy were evident in the Fast Lane news briefs as companies around the state began delaying projects, hiring stalled and then layoffs were implemented. Likewise, evidence of a rebound showed up in Fast Lane months before a recovery was announced, as businesses across the state began adding employees or expanding their operations.

Being part of The Lane Report has been an incredibly interesting and rewarding experience. As we celebrate 35 years—no small feat in today’s environment—I’m optimistic about the future and eager to see how it unfolds. I think Ed would be immensely proud of what his company achieved with his daughters, Brett Lane and Meredith Lane Ferguson, at the helm and would wholeheartedly support the expansion we have implemented under the leadership of our new publisher, Kevin O. Stinnett. It’s been a fun ride—with more to come!

Natalie Pitman Marketing Strategist

I started work for The Lane Report in January 2020. I was welcomed by a hard-working team, who helped me jump right in. Although this year has had a COVID-19 cloud lingering over us all, I have made sure to look for the blessings this year has brought, lessons I have learned, and creativity I have been able to bring into this new position. It is hard to believe it is already November—time flies when you are having fun!

I learned about the passion Ed Lane had when beginning this publication. There was a need for news and updates about all the incredible things happening in Kentucky, and he did something about it. Thirty-five years later, we are the No. 1 business news medium in Kentucky. Ed Lane’s passion continues to radiate here at The Lane Report with every publication we brainstorm ideas for and send out to our readers around the commonwealth.

As a marketing strategist, I enjoy being able to support Kentucky businesses around the state. Marketing and economic development work together; I help develop branding strategies for clients that not only reinforce their strong reputations with the business-to-business community but also encourage new business development and attract new companies to Kentucky.

We recently acquired new ownership with Kevin O. Stinnett in March of this year, and I am looking forward to new and exciting changes for The Lane Report in 2021. Our team feels stronger than ever and I can’t wait to see what the future holds.
and was ingrained in the community as a public servant and leader. We trusted in the timing and knew when it was right, that person would reveal themselves to us. Earlier this year, we had an ‘a-ha’ moment and entered into a sales agreement with that person.”

In March 2020, Ferguson announced that The Lane Report changed hands into a great new family. “The ‘cherry on top’ was that this person ended up being a dear friend of our father’s, Kevin O. Stinnett. They served on the Lexington-Fayette Urban County Council together for numerous terms and it was there that they fostered a business relationship and a friendship over shared interests in economic development, service and public policy that provides opportunities for Fayette County’s citizens. “Stinnett owns and runs successful insurance and financial planning businesses, so he has unique insight and understands the marketing needs of business owners and what The Lane Report can provide to its advertisers. The moment we mentioned the idea of purchasing The Lane Report to Stinnett, it was a no-brainer that he was the right fit for a number of reasons.

“Brett and I are excited for the future of our father’s business and the legacy Stinnett will carry forward with the staff, many of whom have been with the company for decades,” Ferguson said. “Since 1985, The Lane Report has become a trusted source for Kentucky business news, and just as it has evolved over the last 35 years, we look forward to seeing how the company will grow even more in the future with Stinnett’s new ideas.”

Stinnett brings innovations
A native of Lexington, Stinnett is a graduate of Bryan Station High School in Lexington and Centre College with bachelor’s degrees in economics and Spanish. He was in the Leadership Lexington class of 2000 and has served on the Commerce Lexington economic development team and the boards of Lexington Center (Rupp Arena) and Big Brothers and Big Sisters of the Bluegrass. He also has served on the board of the city’s Business and Education Network. Beginning in 2004—the same year Ed Lane was first elected—Stinnett served five terms on the Lexington-Fayette Urban County Council from the Sixth District and one as an at-large member. Stinnett and Lane co-authored the city’s Economic Stabilization Fund in 2006, creating a “rainy day” fund now topping $36 million and being used for the first time to help balance the city budget after the virus. He chaired the city’s Budget, Finance and Economic Development committee for 10 years, and was a candidate for mayor in 2018.

With unique vision and understanding developed by private-sector success, public-service experience and a shared perspective with Ed Lane, Stinnett is bringing energetic and ambitious plans for The Lane Report’s 36th year and beyond.

Lorie Hailey Special Publications Editor
I became part of The Lane Report family in 2012, after spending nearly 16 years in newsrooms large and small. I left the helm of a fast-paced, small daily newspaper to join the TLR team, and I was instantly impressed by our team’s editorial integrity and the community’s response to our brand—a result of the trust our founder Ed Lane worked tirelessly to develop. As a journalist, I also was excited that I was given the space and time to craft well-written and important stories that affect the business community, instead of just rushing to report breaking news.

As TLR’s first digital editor, it was my honor to help us become an important source of daily Kentucky business news for our readers. We strive to make sure the news we post on our website is as credible and consistent as the stories we publish each month in our printed edition—a task I continue to this day.

As someone who has worked at newspapers across Kentucky—and a few in other states—I know that what we have here is special. You don’t find a publication like ours every day, or a team as talented as this one. Probably most important to me is the relationships we have built with the business community. We place high value on our partnerships with our news sources, readers and advertisers, and that’s what sets us apart.

Cheers to 35 years, and 35 more!
The Lane Report recently moved into its new office at 465 E. High St. in Lexington.

**Kristina Dahl**
*Digital Marketing Strategist*

Working with *The Lane Report* team is truly something special to me. The legacy and credibility of the brand, along with the talented team who happen to also be good-hearted people, creates a fun and proud environment. *The Lane Report*’s dedication to supporting Kentucky business and its leaders is such an important cause. It is rewarding to be part of a news organization that cares about getting important messaging to its readers through integrity in journalism and positive reporting that focuses on solutions. I have always believed in the brand of *The Lane Report* and I am excited to continue to grow with our team and have such visionary leadership behind the charge.

“The Lane Report is one of the most respected brands in Kentucky, appreciated by the state’s business community and leaders for bringing news focused specifically on the issue they are working through to improve our commonwealth,” Stinnett said. “I want to enhance both the print magazine and its digital platforms, and make it improve the value proposition for both our readers and our advertisers.”

Like all business, media is a competitive sector, he said, and *The Lane Report* and lanereport.com are going to be successful by innovating and becoming an even better product. Stinnett has initiated a redesign of the magazine, expanded its monthly page count and upgraded the product with additional content and modern elements to improve readability and engagement. The lanereport.com website has also enhanced the experience it provides and created high-impact marketing opportunities, with much more to come. Page views for our website have surged more than 50% in 2020 compared to 2019.

This fall, a new week-in-review email blast, In Case You Missed It, launched. It goes out to our many thousands of subscribers each Monday morning. All email news blasts are free.

Stinnett is evaluating other digital additions for *Lane Report* information and business-to-business marketing opportunities to better serve the Kentucky business community.

“We are here for the long run,” Stinnett said. *The Lane Report* has succeeded in a changing and challenging environment by building and nurturing the relationship with our readers and advertisers. Keeping the trust we have built with you is our strategy for growing in 2021 and beyond. Join us in a toast to our mutual futures!
Cyber is among the greatest emerging liability issues of this decade which is why we formed a Cyber Risk Team. Wire transfer & ACH fraud, data breach notification, State Attorneys General responses, 50 state compliance, business interruption, payment card industry fines and audit expenses are a few of the issues we see employers struggling with after a loss. Be prepared ahead of time. Call today to talk to a member of our Cyber Risk Team.

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100 YEARS AGO, Berea College designated all unrestricted bequest gifts to its permanent endowment. Thanks to this bold decision, generations of college dreams have come true because of the generosity of others.

100 YEARS FROM NOW, your name could be among the 100 people this year who made college a possibility for the next generation of students.

1 YEAR, 100 NEW BEQUESTS INTENTIONS. Call us today to name Berea College in your estate.
Century-old Decision Inspires 100 in 100 Initiative

Some decisions impact a person for a lifetime; some impact generations of people. One such decision established the cornerstone of Berea College’s distinct financial model, which has provided a tuition-free college education to generations of students since 1892.

When the Board of Trustees met on Oct. 20, 1920, it voted to create a policy that directed bequest gifts to the permanent endowment of the College. Official notes recorded at the meeting state, “All bequests, whether so specified or not, shall be considered as additions to the permanent endowment funds of the College, unless otherwise designated…”

This bold decision has helped secure the College’s mission to this day, creating an endowment from which the income replaces the tuition that students are not able to pay.

“Without these gifts, Berea likely would not exist as it does today,” said Amy Harmon ’99, director of Planned Giving. “More than half of our endowment’s principal exists today because of legacy gifts, which have ranged greatly in size but have been substantial in number. Berea’s model will live on in perpetuity through the legacies and commitments of many.”

To commemorate the 100th anniversary of this momentous decision, Berea College seeks commitments from 100 new bequestors during this yearlong celebration as part of our “100 in 100” initiative.

You can support this special initiative by including Berea College as a beneficiary of a will, trust, life insurance policy and/or a retirement account. Donors who include Berea in their estate plans become members of the Great Commitments Society. Those who notify the College of their plans between July 1, 2020 and June 30, 2021 will receive recognition as part of this special effort.

“As a member of the Great Commitments Society myself, I know that my values will live on through my legacy gift at Berea,” Harmon said. “Planned giving donors at Berea have the ability to secure Berea’s unique mission and to continue changing students’ lives for generations to come. Those who do so share a special connection to the success of our students and continue to create a perpetual legacy.”

Learn more at berea.giftlegacy.com/100in100initiative or call 800-457-9846.
INNOVATION is the name of the game in business, and especially in services such as accounting. Firms are decades beyond just balancing the books, current tax compliance and reminding clients to make quarterly payments—though they still do all of that. Accounting firms now also serve as business consultants and are decidedly tech-forward as they deliver information to clients in the cloud and via mobile apps.

Today’s accounting firms are as equally versed in cybersecurity as balance sheets. “Everything has changed over the past 20 years, and accounting firms (have changed) right along with it,” said Lindy Karns, director emeritus of accounting and advisory firm Blue and Co. “All service companies are based on that: service.”

Cybersecurity remains high on clients’ solution needs list. “Technology services are another of those things that keep our clients up at night, and our goal is to help them sleep peacefully, having transferred their worries to us,” Karns said. “We, like many firms, have made significant investments in a variety of tools and applications to improve our efficiency in completing work and data analysis, to ensure we are able to transmit information with our clients in a secure fashion, and to facilitate working with clients in different geographic areas.”

In addition to growing their capabilities through proactive investments in tech equipment and practices, she said, protective and defensive components are being added. “CPA firms are frequently the target of bad players attempting to access the client data to which we have access,” Karns said.

The core function remains Accounting is the language of business, according to the Warren Buffett phrase repeated in interviews and books. Numbers speak. They tell a story with plot points and characters, theme and setting, conflict and resolution, and a beginning, middle and end.

The language of public accounting changed over 500 years ago, when Italian mathematician Luca Pacioli explained about the Venetian method of bookkeeping in his book “Summa de Arithmetica, Geometria, Proportioni et Proportionalita.” The merchants of Venice were using a double-entry system—balance—for keeping track of debits and credits.

“Double-entry accounting is centuries old, and is still how we keep the books, electronically or otherwise,” Karns said, “but as the needs of our clients have grown, we have grown to meet those needs. Our clients are looking for good, sound, reasoned business advice, and the bells and whistles to execute that.”

Traditional accounting services remain foundational but 21st-century accounting firms have added business consulting and other outsourced offerings, including technology and information technology services.

Blue and Co. LLC is a regional accounting firm founded in 1970 in Indianapolis. Now a U.S. top-60 CPA firm, Blue and Co. has 11 offices...
with 450 employees in Indiana, Kentucky and Ohio. The Kentucky offices are located in Lexington and Louisville. Blue and Co., directly or through strategic partnerships, offers benefits consulting, business services, business valuation, economic incentive consulting, IT consulting, cost segregation, and research and development credit services. The latter is for an R&D tax credit available for businesses since 1981.

“Having a seasoned group of individuals with industry specialization, and the extended services to help clients where they have soft spots in their organizational structure, is the key to success for both us and for our clients,” Karns said. “One of our newest projects is outsourced human resources support, as the many changes in this area keep many of our middle-market clients challenged to keep up.”

**Tax work, auditing and technology**

“The accounting industry started centuries ago to help people, to give financial advice to help them make decisions,” said David Bundy, president/CEO of Dean Dorton. Helping businesses make good business decisions “is a central part of what we do in public accounting.” Dean Dorton is a Kentucky-based certified public accounting and business consulting firm, with 275 employees at offices in Lexington, Louisville and Raleigh, N.C.

Bundy, a Murray State accounting graduate, trained to be an auditor but early in his career started taking an advisory role with clients, particularly in the health care industry.

“Technology is a very big piece of our revenue within the firm,” he said. “We will always do tax work and we will always do audit work—it’s what our clients need. And we have been aware of the fact that clients need help in technology, so we do outsourced technology management.”

As a provider of an outsourced IT department for some clients, installing hardware and software, Dean Dorton also can take on cybersecurity and other tech services. Technology work now represents 15% of the firm’s revenue.

“That’s common for most firms in our size range,” he said. Consulting work, including health care consulting and supporting business valuation, accounts for another 30% of revenue. The firm has thousands of clients all over the world in different specializations, including equine.

“We are nationally known for our work in that industry,” Bundy said. “We have a global reach from here in Central Kentucky.”

Within the health care sector—at a private physician’s practice, for example—Dean Dorton can take care of “everything in their back office: accounting, technology and human resources,” Bundy said. “That outsourcing piece is a big part of what we’re doing, and we will continue to do more.”

It is paramount today for businesses to have cloud-based “books” and online access to all their information and data.

“When the pandemic first hit, we shifted everybody out of the office overnight,” Bundy said. “We did not miss a beat.”

Still, it is important to remember an industry’s foundation and fundamentals throughout its inevitable evolution.

For Dean Dorton, Bundy said, this means “recognizing what accounting’s role is: to help people with financial information. With trends and changes, it’s a lot of the same things we’ve done historically, just offered in a different way with the use of more technology. We’re here to give advice and make sure that that financial advice is accurate.”

**Technology continues to drive change**

At the Lexington office of Crowe, a Chicago-based public accounting, consulting and technology firm with offices around the world, Managing
Partner Steve Jennings said keeping all the key elements in balance during ongoing structural change is a priority.

“Technology continues to dramatically change how we service our clients and manage the firm, even more so now with the shift to a remote workforce,” Jennings said. “While our people and professional services continue to be the core of our business, we see a future state with an ecosystem of technology opportunities, a blend of people-based services, software and platforms.”

At Crowe, which also has a Kentucky office in Louisville, Jennings is seeing and expecting that some new services will amplified by technology while others may be “a pure technology play that is supported by our people.”

A recent acquisition in Lexington has extended the firm’s cybersecurity services.

“Crowe has continued to expand our technology offerings with a number of acquisitions over the last several years,” Jennings said. “Additional acquisitions grew offerings in cloud-based enterprise solutions, health care technology, financial services software and governance, risk and compliance technology systems.”

**Problem solving remains key**

Deloitte, headquartered in London, England, is 175 years old with 330,000 employees worldwide. The Kentucky office is located in Louisville.

“Deloitte began as a preeminent audit firm, but as a ‘Big Four’ (the four largest professional services networks in the world) we’ve grown to become so much more than that. We provide consulting, tax and legal, audit and assurance, and risk and financial advisory services to organizations of all sizes, across all industry sectors,” said Kevin J. Joynt, the Louisville managing director of Deloitte.

“The consulting side of the Deloitte accounting firm started in 1995, a quarter of a century ago, and now a next-gen technological infrastructure is taking shape.

“In-the-moment problem solving—from technical issues like integration and platforms-as-a-service offerings, to business and governance issues like intellectual property and data sovereignty—guides an evolution that is true to our digital personality and best serves our clients,” Joynt said. “In that regard, technology is integral to supporting our clients and our people.”

A diverse range of recent college graduates are finding themselves attracted as employees to Deloitte’s variety of services to clients, from cybersecurity and consulting to tax and forensic accounting.

“One common thread that weaves through our recent grads is their interest in businesses doing good,” Joynt said.

Deloitte’s 2020 Global Millennial Survey of millennials (those born from 1983 to 1994) and Gen Z (born between 1995 and 2002) was conducted from November 2019 to January 2020 in 43 countries, plus a follow-up survey in April and May during the pandemic across 13 countries, with a total of 27,528 respondents.

“We have seen job loyalty rise as businesses address employee needs like diversity, equity and inclusion, stability and reskilling,” Joynt said. “Put simply, the next generation places greater importance in working at companies that have a strong sense of social responsibility.”

As digital technologies change just about every aspect of how people work and live, Joynt sees innovation and the need for digital transformation crossing every industry, including accounting services. “The biggest and most exciting change I have seen is related to our pace of innovation and how we are helping clients navigate the new digital world we live in,” he said.

“Accounting is a personal service,” Blue and Co.’s Karns said, “and like all personal services, is unique to the individuals providing it and the individuals receiving it.”

But there is a threshold at which technology is no substitute for the personal touch.

“Technology enhancement is great for productivity, security and lots of communication,” she said, “but at the end of the day, most people want to know there is someone on the other end who cares about them and about their business.”

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Business decisions are often intertwined with the impact they’ll have on the family, and business owners must understand the dynamics and value drivers of both—as well as how they overlap. It’s a strategic benefit to have a team of professionals who understand the valuation aspect of selling a business, in addition to having wealth expertise, during all stages of your business sale. This is especially true if you can find a team that can tailor its recommendations based on your goals and needs.

There are several personal and professional questions you may consider prior to selling your business, including:

1. What do you need from the sale?

Many business owners intend to fund retirement from the sale of their business, and they’re accustomed to cash flow from their day-to-day business activities. It may, therefore, be important to think about what after-tax proceeds are necessary to support your future needs.

A key variable for this analysis is understanding what your business is worth. An M&A advisor who understands the market and your industry may be best suited to help understand your valuation along with helping to evaluate strategic alternatives for the business. A third-party valuation specialist (many accounting firms have these groups) may also provide a market valuation, and these types of reports are often used for wealth planning purposes ahead of a formal sale process.

2. How does the sale fit into your estate plan?

Tax and estate planning can be important topics to think through, and wealth transfer strategies may provide opportunities to save on both income and estate taxes. Transferring ownership interest to family members, trusts or other entities before the sale may help you take advantage of allowable valuation discounts and can reduce transfer taxes later. Transfers such as these are commonly weighed against future needs and often considered nine to twelve months before any sale of the business, if not two to three years prior.

“In my experience, the most successful transitions occur when the planning starts, long before the owner has any serious intention of leaving the business,” says Troy Farmer, Regional Director, Wealth Planning at Fifth Third Bank. “Early strategic planning that coordinates both income tax planning as well as estate transfer tax planning can increase the eventual value of a business while minimizing tax impacts. It can help ensure that the owner can sell to their preferred buyers. And it can help them achieve their financial goals after the sale.”

3. What are your charitable intentions?

If you have charitable intent, strategic charitable giving can provide additional opportunities for tax savings. For instance, a charitable tax deduction in the same year that you sell your business may help offset the gains you incur.

Depending on the type of business entity and the individual’s tax and cash flow circumstances, business owners might consider donating shares of the business to a charity, donating cash from the sales of the business, establishing a charitable trust that provides a lifetime income stream, or creating a donor advised fund or a private foundation that can be used to distribute charitable contributions in the future.

4. What does the sale mean for you and your family?

As a business owner, you may have devoted your life to the business—growing it into a successful organization. Are you ready for what will be a major change? Have you determined what the sale will mean for children who may have been involved or planned to be involved in the business? Will an increase in wealth affect the family’s values and governance? How does the business owner educate their descendants on handling wealth? You may consider how your dynamic may change and grow from the event.

5. Is your business handling any of your personal affairs?

Owners may have business expenses that were handled through the business, but that serve both business and personal purposes. Consider, for instance, a vehicle purchase. Once you sell the business, those expenses will fall to you again and the personal assistance will end—and these factors should be a part of the financial modeling for the sale.

“Evaluating desired cash flow post-sale will provide an estimate of the assets the business owner will need to achieve his or her goals and the amount of proceeds needed from the sale,” says Farmer. “That cash flow should account for personal expenses previously paid by the business as well as future expenses such as travel, a vacation home, to account for the owner’s desired lifestyle in retirement. Some business write-offs will become personal expenses. If your wealth is significant, you may want to consider a family office or other assistance with financial affairs.

6. Will you start another business?

What will your life look like after the dust has settled from this business sale? Are you headed into retirement, or will you put the proceeds into your next venture? What will you do with your time? Some options include devoting your time to travel, or becoming an angel investor to help the future generation of entrepreneurs start their own enterprises.

Creating an action plan can help you mentally make the transition from your current endeavor to the next stage. As you’re considering these essential points, it’s important to have the right professionals in the early stages. That may include investment bankers, lawyers and accountants. To assemble your core team, consider looking for financial institutions that can serve as a strategic fit and bring to the table a variety of professionals who can help you determine what’s best for you, your family and your business from both a business operation and a wealth planning standpoint. Now is a great time to evaluate your options for your business and your wealth planning needs.

Fifth Third Bank can assist you with the future planning for your business and beyond by putting you in contact with team members qualified to support your specific needs.
THE purely fictional Joe Jones often finds a good reason for making a philanthropic gift somewhere near the intersection of high-minded, passionate altruism and a desire to ensure the federal or state governments don’t consume every available tax nickel they can.

Generally speaking, a substantial gift to a legitimate charitable organization will reduce but not eliminate taxes for the giver, as the benefit rarely equals the value of the gift dollar-for-dollar. But that doesn’t dissuade most people who have the financial resources from making gifts to schools, churches, hospitals and causes they support philosophically.

“The tax benefits are always sort of a nice thing, but they are definitely not the driving force” of philanthropy, said Damon Massey, an investment adviser who works for Louisville-based Stock Yards Bank & Trust. “Again, the math never ‘works.’ The cost of making the contribution is never fully offset by the tax benefit, so the tax benefit is just a little extra incentive, a little gravy on top, if you will.

“It’s never going to be the driver of philanthropy (for) churches, schools, advocacy groups, you name it. It gets back to personal values. We see churches (as recipients) a lot,” Massey said. “But in terms of larger gifts, it seems like they go to universities, their schools, their high schools, their colleges, the pet organizations that they like to support.”

As might be expected in a year dominated by a global pandemic, some regulations on philanthropic giving have changed under provisions of the Coronavirus Aid, Relief and Economic Security (CARES) Act, said Brian Cohoon, chief development officer for the trust and wealth management group at Commonwealth Bank & Trust in Louisville.

In the past, taxpayers could donate as much as 60% of their net income to a charity and eliminate taxes on that amount and perhaps reduce their tax rate for the other 40% as well. A temporary provision of CARES legislation allows a taxpayer to claim a deduction of 100% of their annual income in an effort to pump up donations at a time when millions...
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of Americans may need assistance, Cohoon said.

“This provides more freedom to give to charities this year because of the impact of COVID-19,” he said. “Most people we work with will have some kind of philanthropic desire—whether it’s their church, their alma mater, their local hospital. They will have some type of philanthropic drive.”

And that inclination isn’t unique to Kentucky.

Americans gave just under $450 billion to charities last year, an increase of 5% over 2018, according to Giving USA, which tracks philanthropy from its headquarters in Chicago, and the Pennsylvania-based National Philanthropic Trust, which describes itself as the largest sponsor of Donor Advised Funds (DAFs) in the country.

Nearly 70% of that $450 billion was contributed by individuals rather than corporations, according to the trust, and 29% of donations went to religious organizations. The broad category of “education” was the second most popular recipient at 14%.

About 30% of all annual donations in America come in December, according to charitable giving by month insights. Approximately 10% of all donations take place on the last three days of the year, right before New Year’s Eve.

Source: Nonprofits Source

In Kentucky, about 7,000 charity organizations are registered as legitimate recipients with the attorney general’s office. The list includes the American Association of Retired Persons (AARP), the National Corvette Museum Foundation in Bowling Green and the American Contract Bridge League Educational Foundation in Horn Lake, Miss.

About 1.1 million charities are registered with the IRS in addition to an estimated 300,000 religious organizations. Most of these recipients have a 501(c)(3) designation from the IRS as a tax-exempt nonprofit.

Kentucky ranked 28th in WalletHub’s Most Charitable States report, which compared 2018 data for 19 key indicators. Minnesota and Utah ranked first and second for generosity, while New Mexico and Arizona came in 49th and 50th.

Discussing philanthropy is a basic exercise at every bank or investment firm that commented for this story. And when that conversation occurs, an overwhelming number of people say they want to support a cause or an institution, wealth managers said.

“That’s certainly always a part of the overall financial plan—discovering not only their capacity to give but their willingness to give. … We want to coordinate with their attorney and their CPA to ensure a coordinated and effective giving strategy,” said Jeff Schriefer, vice president and senior wealth adviser at Bank of the Bluegrass & Trust Co. in Lexington.

“Our experience is (they donate because of) their profound interest in the mission of the charity. It’s not usually only a function of a tax advantage,” said Schriefer, though he added that his bank does emphasize how to most efficiently make the gift from a tax standpoint.

That view is shared by Jason L. Lee, senior vice president and private wealth services manager of Community Trust and Investment in Lexington.

“Let’s remember, people give to charity because they are charitably inclined,” Lee said in an email. “Favorable tax outcomes can be achieved through charitable giving, but tax reduction is not the driver of charitable giving. That said, charitable gifts can serve to reduce income tax and estate tax liabilities.”

Lee stressed that it’s difficult to generalize about philanthropists.

“Typically, the size of the donation is not reflective of the client’s net worth,” Lee said.

He’s seen gifts range from “…a token amount to an amount well north of seven figures.” The most popular categories of recipients are higher education, medical research and animal welfare, he said.
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“In my experience,” said Neil Byrne, senior wealth strategist with PNC Financial Services, “making charitable gifts is a personal choice based on each person’s motivations. That said, there are some common motivating factors. Both income and estate tax considerations are popular reasons for giving, especially if someone is highly attentive to taxes. Another popular reason for giving is for religious reasons, such as donations to a church or synagogue. Finally, many clients simply give because they feel it is a good thing to do.”

Every situation is unique
There is no definitive rule of thumb or general guideline among wealth management professionals about the average tax savings that can be realized by making a charitable gift of cash or property. They stress that tax benefits vary greatly for each client and hinge on a long list of factors that get plugged into a tax return.

“Every client is different. Every situation has its own little nuances and so there’s no one-size-fits-all,” Massey said. “You have to really dive in and take a look at what’s best for each situation.”

The recipient can be a factor also.
“There are potential tax advantages with making donations to nonprofit organizations,” said Emily Trujillo, content and communications strategist for ARGI Investment Services, which is headquartered in Louisville and has five of its nine offices in Kentucky. “Since everyone’s situation is different, we highly recommend speaking with a tax professional regarding your personal situation.”

Although the wealth managers never said it directly, this advice does not apply to someone who donates a box of items to Goodwill as tax time approaches.

In the past, taxpayers could get credit for relatively small donations to charity. But since the standard deduction nearly doubled for 2018 and now stands at $12,400 for an individual taxpayer, the rules have changed.

“This means that fewer people itemize, and fewer people receive income tax deductions for charitable gifts. In light of this, a common approach is to ‘bunch’ charitable gifts into one year, so that a person itemizes in one year (i.e. the year when ‘bunched’ charitable gifts were made) and not in future years,” PNC’s Byrne said in an email.

“There are numerous other approaches to philanthropic giving. Donor advised funds (DAFs) can be a great resource, and there are many options in our community,” added Byrne, one of several who mentioned DAFs.

Generally speaking, wealth managers described a typical client as a “high net worth individual,” a term that often refers to someone with liquid assets of at least $1 million. But most of the wealth
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managers were hesitant to attach any specific dollar amount to that “high net worth” designation because it might discourage the prospective client with $990,000 in assets from seeking their advice.

Massey, however, provided some general numbers. “Our clients run the spectrum from a million in assets to hundreds of millions of dollars. Our bread and butter is in that $2 to $5 million asset class,” he said.

“Gifting tends to be significantly more with the older generation. Whether it is the accumulation of wealth or the recognition that they have made enough that they will not spend it all, as they age most of our clients are thinking about gifting and how to gift wisely,” said Quin Broadbent, vice president, director of portfolio management and a wealth adviser for Kentucky Bank, which is headquartered in Paris.

“We routinely ask clients whether they would like to give, but most of the time we know our clients well enough to know their habits and to know the causes they are passionate about. Whether it is city- or county-based or cause-based, we assist them with their giving,” Broadbent said.

Around 70% of the bank’s clients express interest in philanthropic giving, he said, agreeing that tax benefits aren’t typically the primary motive for making contributions.

Most people make gifts “to support their community,” Broadbent said. “In other cases, it can be a cause that touches that individual. (Decisions are made) person by person and each person has a cause that means something to them.”

Broadbent and Cohoon both said financially secure older clients are far more likely to make gifts.

At the other end of the spectrum are millennials who often consider the importance of “connecting their values to their valuables,” Cohoon said. “(They) really like the idea of ‘ESG investing,’ which is environmental, social and governance—how their dollars are being used by investment companies and (that) it is supporting a mission in line with their values.”
Most clients of Asio, a wealth management firm in Lexington, have ample resources for their lifetime, said Erin H. Serrate, one of the founders and a senior wealth strategist.

“We have discussions around what type of legacy they want to leave once they are gone,” Serrate said. “Typically, this discussion occurs going through the estate planning process with an attorney. Most often during that time we have discussions about making larger gifts both during and after their lifetime.”

Serrate and Byrne both mentioned gifts made through qualified charitable distributions from retirement accounts. Taxpayers who are the age of 70½ with IRAs are required by law to take a required minimum distribution.

A qualified charitable distribution “has the dual benefit of allowing them to support a charity or cause that they care about as well as reducing their taxable income,” Serrate said.

About 80% of all donations come from individuals, per the latest charitable giving statistics. Among that individual charity donation percentage, 71% come from living people, and 9% from wills. Foundations represent the second-highest donor with contributions of 15%. The remaining 5% comes from corporations.

Source: Philanthropy Roundtable

There are plenty of alternatives to writing big checks or donating a piece of property or shares of stock, said Steven Beck, a financial adviser, legal strategist and certified financial planner with ARGI Investment Services in Louisville.

“Many clients mention gifting or making gifts, but philanthropy can encompass a lot more than that. It can be serving on boards, volunteer work, or setting up one’s own donor advised fund or foundation,” Beck said.

Beck and others talked about creating DAFs, foundations, trusts and endowments as philanthropic alternatives to help a favorite charity.

Fidelity Charitable, a division of the huge investment firm, describes DAFs as the “fastest-growing charitable-giving vehicle” in the country and one of the most “tax advantageous.”

Donors who contribute to a DAF through some investment firms or a public charity can, in most cases, take an immediate tax deduction. Their irrevocable gift is invested to grow tax-free, and the donor can recommend or guide grants from the DAF to IRS-approved charities, according to the Fidelity Charitable website.

“An estimated 20-40% of clients discuss their philanthropic wishes...
early in the financial planning process. Generally, these clients have specific wishes and philanthropic goals in mind,” said Christian Schnabel, a managing director with Northwestern Mutual. “However, approximately 20% of clients of our clients incorporate charitable giving over the course of their financial plan and can be driven more by specific opportunities from an organization.”

The largest givers are confident not only in their own financial independence but that of their children and grandchildren.

“With exception of more prominent mega-donors, the largest and most frequent percentage of giving comes from the middle and upper-middle class families,” said Patricia K Vanaman, a financial advisor with Northwestern Mutual. “Their average donation is not as large as mega-donors, but their gift typically represents a much larger percentage of their assets.”

Many churchgoers tithe, so if we are including a 10% tithe, the average middle/upper-middle class donor is giving an estimated 15%, based on income, not assets, Vanaman said.

“One area we see our clients give is through the purchase of a life insurance policy,” she said. “This allows them to donate a substantially larger gift by making a charity the beneficiary of the policy and creates more flexibility by keeping others assets. Additional tax benefits can come into play as well.”

Schriefer with Bank of the Bluegrass said he sees “more and more structured and deliberate giving” when a client’s net worth approaches $10 million or more.

“Above $10 million, they are more likely to establish a private foundation, charitable trust or endowments that will help them fulfill their charitable wishes,” he said.

“Philanthropists who donate stocks, real estate or other assets they own with a low cost-basis may
be able to deduct the full market value of the gift while also avoiding capital gains taxes,” Schriefer said. “The charity can then sell the asset without realizing the capital gains as well. That’s a win-win for both parties.”

DAFs are fairly simple to start, while establishing and administering trusts and foundations can be more complicated.

“They (foundations) are more expensive to set up and administer on an ongoing basis,” according to Schriefer. “They require special tax returns each year. Private foundations also have a payout requirement that requires the foundation to spend a percentage of its assets each year on charitable purposes, so it’s a lot more complex; you generally have to have a larger amount of assets to make that kind of charitable vehicle worthwhile (to the donor).”

Every wealth manager interviewed said their firms practice what they preach and have long, generous track records of supporting charitable causes in their communities and beyond.

Bank of the Bluegrass, for example, lists 60 organizations that it has donated time or money or both to in the last year. ARGI created ARGI Gives, a corporate philanthropy program, said Trujillo, who chairs the effort.

Pittsburg-based PNC, the nation’s seventh largest bank with $455 billion in assets and a major presence in Kentucky, where it has had the largest share of deposits for more than a decade, works on a scale far larger than banks and investment firms headquartered in the state. In June, for example, PNC announced a $1 billion commitment “to help end systemic racism and support economic empowerment of African Americans and low- to moderate-income communities,” Byrne said.

Regardless of who’s doing the giving and who’s on the receiving end, Cohoon of Commonwealth Bank & Trust provided a pretty good capsule summary of philanthropy.

“You’re going to be a philanthropist involuntarily in the form of taxes or voluntarily in the form of gifts to local charities,” he said. “There’s money that has to go back to society in one form or another. It’s going to be either taxes or charitable gifts.”

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RESTAURANTS have been around for years and years, but they have changed over time and continue to be redefined. You have diners, chains, fast food, fast casual, casual, upper casual, fine dining and the list continues. As the restaurant industry continues to evolve, the type of employee needed for these different operations also continues to change.

Like other businesses, restaurant companies have different employee needs based on the type of operation. Fast food restaurants are all about the speed of service, and this is how we decide if the restaurant is good or not, or if we are going to return. Yes, it is important that the food taste good, but our standard of good food at a fast food restaurant compared to that of a fine dining restaurant is completely different, and clearly should be. Fast food fills a hunger need; fine dining fills an emotional need.

Likewise, the type of employee needed for each of these operations is completely different but totally essential to the success of both. The best job candidate for a fast food restaurant is someone who can work quickly under pressure. They will have limited customer contact since the average time a fast food employee spends with any given customer is measured in minutes or even seconds. In comparison, the average time an employee of a fine dining restaurant spends with a guest is hours.

When hiring restaurant employees, the key is to have a clear, written guideline of what kind of employee is needed. Why is this important? Because whether it’s fast food or fine dining, the restaurant industry is looking for people who can grow with the company and advance into lead and management positions.

Having a strong hiring practice and training program is key to the development and growth of employees and helps to reduce overall hiring and termination expenses. Restaurants want long-term employees they can depend on and reward and to whom they can give increased responsibility. Hiring and training new employees is a huge financial impact on the restaurant industry as a whole, and labor is constantly being monitored not just day to day, but hour to hour.

The COVID-19 pandemic has placed a huge burden on restaurants to once again redefine who they are to themselves, their brand and their guests. Being resilient is the key to success in this high-paced, high-stress industry, but being resilient and willing to change is all part of what makes the hospitality industry so rewarding.

As times change, so do the requirements of what we expect of our employees. You may have been
hired as a server and yet you are a server assistant, a host, a bartender, an expeditor, etc. Employees are expected to perform many other duties in addition to what they were hired for, and yet being able to handle all of those positions gives them the knowledge of how the restaurant operates as a whole.

For a restaurant operator, the more your employee is cross-trained, the more flexibility you have with schedules, service and overall cost control.

What is the future for restaurants in a time of a pandemic? This is a difficult time for the hospitality industry, but this industry has been around for a long time and will be around in the future. It may look different, and more changes are coming, but we will be here. Restaurants will always need amazing employees to operate them, so it is imperative that restaurant owners and operators create a strong and positive culture that includes respect and appreciation for their employees and offers opportunities for growth.

Is this a good time for people to get in the restaurant industry? Absolutely. The restaurant industry is an industry that can be an excellent place for employees to find a future career and position themselves for more responsibility with financial growth. The chance to run a successful restaurant is given equally to both college graduates and to those who chose to learn on the job without a formal education. Both candidates are given equal opportunities, based on their ability to understand the culture, learn the operation and be able to lead others and train them in that culture.

The hospitality industry is simply that, HOSPITALITY. So, if one is looking to be a part of a fast-moving business that requires thinking on their feet, working well with others, creating memories for guests, and growing in a career that has competitive pay and huge personal rewards, then the restaurant industry may be just the place to begin a new career. The possibilities are endless, and all one has to do is apply.

Mark Fichtner is owner of Palate Restaurant Group/Carson’s Food & Drink.
ON his drive home to Greenup, Ky., after serving in the army, Terry McBrayer made one crucial detour. He stopped at an office supply store owned by a friend and loaded up his car with everything that was absolutely essential to starting his own law firm.

McBrayer operated his office out of a rented room above a grocery store. His secretary, who was also his older sister, had to step out of the room every time he had a client, and he earned $2 as his first legal fee. But the firm slowly grew—from one room to two to three as a solo practice became a firm and expanded, eventually becoming a full-service law firm, McBrayer PLLC, with a government relations affiliate in the state’s capital, MML&K Government Solutions.

But in the time between the one-room practice and the preeminent firm of over 50 attorneys, McBrayer’s work ethic and hustle drove him to success. In the late 1960s, he ran for the Kentucky House of Representatives to build name recognition and, he hoped, a more robust client base. As he traveled his district, chatting up cashiers and handing out business cards at filling stations, he built a campaign that, against all his expectations, won the race.

What followed this unforeseen victory was a lifetime of involvement in politics. He served as chairman of the Kentucky Democratic Party in the ‘90s and as former President Bill Clinton’s Kentucky representative in both his presidential campaigns. McBrayer’s ambition, savvy and likability led him to serve as one of the youngest speaker pro-tempores in the country in 1968 and majority floor leader in 1970. For him, involvement in state government was another way to serve his community, to make the problems of the “little guy” worth noticing and solving.

This desire to help those around him—even those whose problems were not at the forefront of public discussions—drove his life’s work. As a lawyer, he valued all his clients’ matters as equally important, no matter how big or small. His involvement in his church, in the Salvation Army, and even as a volunteer firefighter was fueled by his deep desire to better people’s lives in any way he could.

His lifetime of service was enriched by his ability to build relationships with everyone he came into contact with. He was notorious for remembering names and he never met a stranger. His firm was the pride of his life, second only to his vibrant, loving family—and perhaps fishing. Though Kentucky is forever touched by his legacy, Terry McBrayer will be missed by all who knew him.
1. The main root causes of a data breach in the U.S. are malicious/criminal attack, human error, and system glitches.

2. Any organization that retains physical or electronic records of employees, customers, or other third parties is vulnerable and can be a victim of a cyber event.

3. 95% of businesses rely on their computer systems functioning properly for their business to operate. If systems go down due to a glitch, error or attack, businesses can be at risk of suffering a loss of income and customers.

4. Ransomware is evolving and becoming more advanced with infections up 40% within the past year. Extortion events can have a significant impact on business’ operations and often require payment of ransom to regain access to data and systems.

5. 49% of organizations with at least one significant attack were successfully attacked again within one year.

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Planning for a Long Retirement

Today’s longer lifespans call for creating a strategy to make your money last

BY JANE SMITH

A MERICANS are living longer than ever, thanks to advances in health care, improved diets and better exercise. About one out of every four 65-year-olds today will live past age 90, and one out of 10 will live past age 95, according to data from the Social Security Administration.

This is great news, of course. But, it also presents a significant financial challenge: making sure your money lasts as long as you do. The possibility of running out of money is one of the biggest risks many retirees will face in the years ahead. The challenge: If you are close to retirement, it’s more important than ever to think about how to make your money last by addressing some key issues.

For example:

• **Your spending habits.** Don’t assume that your expenses will decline significantly once you leave the workforce. Retirees today and in the future are likely to be much more active than previous generations and will pursue lifestyles that require more money. True, some expenses may go down; you may, for instance, downgrade to a smaller home. But others—such as travel and leisure, health care and prescriptions—will almost certainly increase.

• **Your portfolio.** A longer retirement gives inflation more time to erode your purchasing power. Conventional wisdom is to become less aggressive with your investments as you near retirement. The problem is that bonds and other fixed-income investments may not keep up with inflation. This means you’ll probably want to start your post-career life with a healthier allocation in growth-oriented investments such as stocks. Stocks have had a better track record outpacing inflation than other forms of securities, although they also carry greater risk and volatility.

• **Your withdrawal strategy.** The amount of money you withdraw from your portfolio each year in retirement will have a big impact on whether or not your savings can go the distance. Withdrawal percentages per year that were historically deemed “safe” may not cover today’s living expenses and can significantly boost the risk that you may run out of money during retirement. To help generate a steady stream of income for a period of years or over your entire lifetime, considerannuitizing a portion of your portfolio to cover necessities. An annuity can be your own guaranteed account to cover the necessities in life. (Guarantees are subject to the claims-paying ability of the issuing insurance company.) Think of your other investments as the bucket that allows you to live your dreams, the ones you feel comfortable doing knowing the necessities are covered.

• **Your health care costs.** An extended retirement may mean a greater need for specialized medical care down the road—and with fewer employers offering lifelong health insurance, the burden will fall largely on individuals. Therefore, your plan also should set aside some assets to pay for long-term care. The national average for full-time long-term care services in a semi-private room is $92,710 annually—an amount that can quickly deplete a retirement portfolio. That makes it imperative to plan for unforeseen medical and health care problems before they occur.

If you review your situation and discover that you’re not as well prepared as you’d hoped, don’t panic. There are plenty of smart moves you can make to get on track. You might consider looking for ways to build up your retirement savings by, for example, saving more or investing any bonus or inheritance you receive.

Another option is to increase your investment allocation to stocks and high-yielding fixed income instruments if you can handle the risk or vehicles that will help to ensure a lifelong income stream. An additional alternative is to join the growing number of Americans who are choosing to delay retirement or work part time in retirement to generate additional income. In short, you have options.

The key is to start planning now. But since your situation is likely to change over the years, you’ll need to meet with your financial professional periodically to discuss your financial plan, how it is performing and if changes have occurred that could affect your plan.

By giving yourself as much time as you can to implement a comprehensive financial plan—and to review it along the way—you’ll increase your chances of achieving a comfortable and secure retirement, and live the life you’ve dreamed of for decades to come.

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THE Honorable Order of Kentucky Colonels (HOKC) is dedicated to helping the commonwealth’s needy. It is known as a long-standing philanthropic group supporting worthy nonprofit organizations, aiding many Kentuckians.

The Kentucky Colonel commission is the highest honor bestowed to a citizen by the governor, recognizing noteworthy accomplishments and outstanding service to the community, state and nation. Many, however, mistake the title as a political gesture and historically there has been some truth to this. But by activating membership in HOKC, a Colonel becomes part of a historic, nonpolitical organization that helps distinguish between the governor’s appointment and exercising the honor in a meaningful way.

According to HOKC Executive Director Col. Sherry Crose, the organization’s focus is to assist Kentuckians through its Good Works Program with grants to organizations that predominately work with lower-income people and primarily fall within the following categories: food pantries, abuse centers, homeless shelters, medical facilities in rural communities, senior facilities in rural communities, veteran groups that provide front-line services, centers for the disabled, educational and animal care/rescue groups.

The Good Works Program is funded solely by donations from active Kentucky Colonels from around the world, ranging from as little as $5 to major gifts. Each year, more than 3.5 million Kentuckians are positively impacted from their generosity.

HOKC’s goal, says Crose, is to annually grant $5 million to worthy Kentucky causes by the mid 2020s.

Recent achievements
Through the Good Works Program, HOKC awarded grants totaling $2.1 million in 2020, of which $1.3 million were awarded to organizations directly helping those impacted by COVID-19. HOKC also provided an additional $600,000 for emergency grants this year.

In April 2020, HOKC’s board of trustees voted to contribute a separate $1 million from its trust to The Team Kentucky Fund developed by Gov. Andy Beshear to financially aid those adversely affected by the COVID-19 pandemic.

Success stories
Crose said one recent success story involved a HOKC scholarship awarded through the Kentucky Community and Technical College System (KCTCS) to Angi Meredith, an African-American woman from Northern Kentucky in her 40s. Meredith grew up at risk and in poverty. Today, she is responsible for raising her niece and nephew. She recently shared with HOKC that as a result of the Good Works Program grant, combined with her diligence, she earned several certificates and is on her way towards a business management degree.

Meredith is working toward a double major in criminal justice with an emphasis on advocacy and hopes to work with the Innocence Project or do “something to help fix the criminal justice system.” Regarding the Kentucky Colonels, Meredith said, “It’s nice to know that people believe in you and support you.”

Grant requests range from a special-needs wheelchair, replacement phone systems at a shelter for abused women and children or a new stove for a boys’ foster home in a rural Appalachian community to a new stage curtain for a small arts theater and a fan for an animal shelter.

Facing challenges
Crose said the COVID-19 pandemic forced HOKC to cancel its annual grant announcement events throughout Kentucky. “We are disappointed that we couldn’t get money into the hands of nonprofits quicker,” Crose said, “and that we couldn’t help more nonprofits in a time when it is really needed.”

How to Get Involved
Anyone who has been awarded the Kentucky Colonel title may activate their membership in the Honorable Order of Kentucky Colonels by going online to kycolonels.org.

Many Kentuckians have numerous Colonels spanning generations in their family and want to continue it as a family tradition. To recognize a young family member for acts of good citizenship, nominate them to become a Kentucky Colonel. Anyone may nominate an individual who meets the criteria.

Lynn Ashton (right), who serves on the Kentucky Colonels’ Board of Trustees, presents a HOKC grant to Sonja Grey, executive director of ECHO (Exploited Children’s Help Organization).
Health Crises Collide

COVID worse when combined with chronic conditions, a Kentucky weak spot

BY BOB BABBAGE AND JULIE BABBAGE

In the ever-evolving story of the novel coronavirus, certainty is hard to come by.

However, experts across the world are in strong agreement as data reinforces a distressing collision of multiple pandemics: COVID-19 and chronic health conditions. As state leaders review the impact of COVID-19 and how prepared Kentucky was to deal with the crisis, the links between specific health issues and the virus are crucial to understand and address.

The effects of the interaction of COVID-19 and chronic health conditions are staggering. A study of 16,780 hospitalized COVID patients found that 77% were overweight or obese, 56% had hypertension, and 20% had diabetes. Of the 110,000 Medicare beneficiaries hospitalized with COVID-19 from February to May, 50% had diabetes.

Public health experts at the University of North Carolina-Chapel Hill have found that those with a body mass index of over 30 have a 113% greater risk of ending up in the hospital with COVID-19, a 74% increased risk of needing intensive care, and 48% increased risk of dying from the virus.

With Kentucky’s troubling health statistics, the long-term impact of the virus on individuals with chronic conditions could be significant. Sara Jo Best, the president of the Kentucky Health Department Association, says “Public health officials in Kentucky have been concerned about the health status of our residents for quite some time. Kentucky’s population has increased rates of asthma, cancer, heart disease, diabetes, obesity, and hypertension. All of these put our people at compounded risk for negative outcomes if they become infected with COVID-19.”

How is Kentucky impacted?
In Kentucky, 36.5% of Kentucky adults are obese and about 23.8% of Kentucky children ages 10 to 17 are obese. These statistics place Kentucky in the No. 5 worst spot in the country for adults and the No. 1 worst spot for childhood obesity in that age bracket.

The state’s population affected with hypertension and diabetes also ranks in the top 10. Kentucky’s diabetes rate is the fifth highest in the U.S., and diabetes ranked seventh among the state’s leading causes of death in 2017.

Over the past 30 years, the rate of obesity has increased by 200%. In the past 20 years, diagnoses of diabetes have doubled.

On top of poor health outcomes, the financial impact chronic health conditions have on our bottom line is cause for alarm. Obesity accounts for 21% of national health care spending, which is roughly $210 billion a year. One in every seven health care dollars is spent treating diabetes and its related complications.

In 2017, the total cost of diabetes for Kentucky Medicaid beneficiaries was $117 million. That averages out to $1,156 per beneficiary. The medical cost for Medicare beneficiaries who have obesity was $2,018 higher per year than those of normal weight.

With rates of chronic disease continuing to increase, the devastating health consequences and dollar figure will only grow. That is, unless, we take action.

What do we do about it?
According to Best, “Improvements to our health status continue to be something that public health professionals across the commonwealth agree needs additional progress.”

The same alignment is true among legislators, regardless of political party, according to Rep. Kimberly Moser, who chairs the House Health and Family Services Committee. “We all have the same goals, we sometimes just have a different way of achieving those goals,” Moser said. “A lot of that is experience. Once you work in this world for a while—not just the legislative world but also health—you understand that it’s not as black and white (as it may seem).”
A good place to begin is by reducing barriers to effective treatment. One such example is access to obesity treatment, a comorbidity that is closely correlated with a long list of health conditions. The Treat and Reduce Obesity Act of 2019, sponsored by Congressman Brett Guthrie (KY-02), aims to combat obesity in older Americans by eliminating major barriers to obesity treatment and prevention. If passed, TROA will expand Medicare beneficiaries’ access to additional health care providers and will extend Medicare Part D coverage to FDA-approved obesity drugs.

Prevention and education are also key to bringing down rates over time. The state has taken steps to help Kentuckians address the challenges we face amidst the pandemic. Chair Moser and Best both cite the tobacco-free schools legislation, HB11 (Moser), passed in 2019. This measure received support from a broad coalition that included the nonprofit Foundation for Healthy Kentucky, an influential policy organization led by President and CEO Ben Chandler. Such coalitions of community and policy leaders are critical in solving issues related to chronic health as there is no one solution.

The news around COVID-19 is consistently grim, as are the chronic disease statistics Kentucky faces. There are major implications impacting a productive workforce, state resources, and most importantly—quality of life. A silver lining to offer is this: A pandemic is increasing urgency for action. The “slow” nature of these chronic condition epidemics, relatively speaking, has allowed for a degree of complacency. COVID-19 is changing that as the global health crisis brings desperately needed attention to these issues.

Given all this, can Kentucky lead a discussion about a new era of focus on chronic illness, its complications and impact? Legislative leaders have consistently said that the 2021 session will revolve around addressing issues related to COVID-19. It’s imperative that the conversation include tackling long-standing health challenges complicated by the pandemic, with chronic disease being chief among them.
The Gratitude Collective

Vision of making connections, sharing gratitude leads to assembly of business ventures

BY LORIE HAILEY

Rachel Des Rochers makes delicious, artisanal graham crackers that are sold online and in stores in seven states. But they aren’t just any graham cracker, and Des Rochers isn’t just any business owner.

Newport, Ky.-based Grateful Grahams was created in 2010, with a mission of spreading gratitude one graham cracker at a time, Des Rochers said. The vegan cookies were first sold in one store, but soon they were available in a community of mom-and-pop stores, local coffee shops and other small outlets. Today, the cookies are also sold by some national retailers, including Kroger and Whole Foods.

“My vision has always been about more than making a delicious, organic treat,” she writes in her company blog. “Grateful Grahams was also about making connections and sharing gratitude. Why gratitude? Because gratitude, like a great cookie, touches something at the core of all of us. Something pure and satisfying. Something that can connect us in a simple but truthful way.”

As the cookies took off, so did Des Rochers’ vision of sharing gratitude. She created The Gratitude Collective, an assembly of business ventures and community projects: the “In Gratitude” podcast, a women’s group called Grateful Gatherings, and a nonprofit organization called The Incubator Kitchen Collective.

The Incubator Kitchen Collective supports other artisanal food entrepreneurs by providing a shared-use, 10,000-s.f. commercial kitchen at below-market rate. At its two kitchen locations in Newport, the collective provides marketing support and offers access to a network of investors, mentors and like-minded peers. Since it opened in 2013, the incubator has helped more than 150 small food companies get off the ground.

The community is full of “people who help one another,” Des Rochers said. “Everybody wants everybody to make it.”

Des Rochers is constantly looking for other ways to share gratitude and create community.

“Rachel’s passion for gratitude is infectious and through it she has been a resource and cheerleader for so many entrepreneurs,” said Cheryl Besl, director of marketing at Northern Kentucky Tri-ED. “I admire what she has accomplished through her businesses, Grateful Grahams and the Incubator Kitchen. Rachel’s work has positively influenced the entire Cincinnati region.”

On the next page, Des Rochers shares more about her endeavors and the idea that connects them.
How many employees do you have?
Mainly it’s my husband and I; we do most of the day to day. We have two part-time folks who help with baking and marketing.

How did you get interested/started in your field?
Food is in my blood. The kitchen is a space I feel comfortable in and a place where people come together for good things.

How have things changed in your field since you first opened?
A lot has changed. The amount of mom and pop shops have gone down, artisan producers have gone up and yet, we are a thriving community of local artisan makers.

When you meet someone new, how do you describe your job?
Living my dream, helping people, doing good work, supporting, mentoring, exhausting, awe inspiring.

As a child, what did you want to be when you grew up?
A doctor. I always loved being the caretaker or the helper, and blood and guts never grossed me out…until I saw a mole get removed. I am grateful to be where I am.

Tell us about a recent project or development that you are proud of.
Honestly, I think I am most proud of just how our team and our community have banded together during a most wild 2020. The pivots and the staying with it—growing businesses. I was also just selected by the Cincinnati Business Courier for this year’s class of 40 under 40. A wonderful acknowledgement.

What has been your biggest challenge as a company and how did you overcome it?
For Grateful Grahams, we’ve had to have that have closed down, and so it’s allowed us to focus on more online sales and shipping grahams across the country. For the incubator, we really had to just hold on, let things unravel and let the companies we support feel supported as we were all walking through a completely new scenario.

What do you think will be the long-term effects of the changes made during COVID-19 on your business?
I do think there are long-term effects, but honestly one of the best things is that reminder of the importance of local food. Now more than ever we need folks supporting the local makers, buying local and getting to the markets. We need these makers to survive; they are the backbones of our community.

How is your company involved in the community?
I believe we are majorly involved in community from a “building it” situation. I am a passionate believer that we can do anything. We support our community in donations, in supporting the makers and creators as they launch their dreams. It’s incredible.

If you now had 25 hours in a day, how do you spend your extra hour.
Just being. No need to add anything “more to do”–there is already enough of that. Maybe cooking or celebrating, if I had to really choose.

If you could only eat one item of food for the rest of your life, what would you eat?
Thai food. Does that count as one food? Ha! It’s my favorite; so much flavor and fresh veggies.

What is one important skill that you think everyone should have?
Grace. Compassion. Slowing down. Listening. (Is that too many?)

You just won a major award. Who do you thank during your acceptance speech?
How much time do I have? None of this would be possible without my husband and three kids. The love and support they radiate keeps me going. My parents, who’ve spent hours upon hours helping. My community—they are incredible.

Grateful Grahams makes original and chocolate graham crackers, as well as peanut butter chocolate chip bites and chocolate chunk bites.

Grateful Grahams s’mores are just one of many treat ideas offered on the company’s social media pages.

Lorie Hailey is special publications editor for The Lane Report. Send recommendations for Small Business Snapshot to lorie@lanereport.com.
Racking Up Experience

Father’s effort to help daughter gain business experience leads to a new winery in Elizabethtown

BY JAKE KRATZENBERG

WATERS Edge Winery & Bistro is a family-owned establishment that opened this fall in Elizabethtown. Here, owner Charlie Watkins, who is retired from the Army, shares how he got into the business and how the winemaking process works.

Tell us how you got in the wine business.

It started when Tiana, my youngest daughter, graduated from college with her accounting degree. She soon found out how hard it was to find employment because she did not have experience, and no one wanted to take a chance on her. I started to investigate what I could do to help her become successful. I contacted a friend that I conducted business with back in 2004 and talked to her about what business opportunities were out there. A couple of days later, she called and asked me what I thought about a winery. I knew there was nothing like that here E-town or anywhere close to the city. I started putting feelers out in the community, and everyone I spoke to thought it was a good idea. So, from there we just took off with the idea and I contacted Ken Lineberger, the president of Waters Edge Winery franchise in California. I felt great about the conversations we had, so we made plans to buy into the franchise. I started this in February 2019, found my contractor, and we got the ball rolling. And here we are, Waters Edge Winery and Bistro of E-Town.

According to your website, it looks like you get grapes shipped in?

That is correct. Most wineries have their own vineyard. Vineyards are something we do not have, so we get the juice shipped to us here and once received, we start the winemaking process. The franchise owner can have suppliers all around the United States that they have already conducted business with, so Ohio is the hub. They get the grape juice from all over the world–France, Italy, Germany, California–and they get it processed there. We get it shipped to us, and that is when we add our ingredients to start fermentation of the wine inside our processing plant.
How long does the fermentation process typically take? When you first start, it is a process of 15 days. You must check it every day to ensure that air and light does not enter the mix. After maintaining that process, you rack it. That means you transfer the product from one tank to another; this process leaves all the sediment in the other tank. Once you get a nice clean tank, you start to add the remainder of the ingredients to the mixture. That lasts for another six or seven days. Once completed, you remove the wine from that tank, and it goes through a filter. Once filtered, you transfer it to the bottling tank. Only then is the process finished and the product can be bottled for sale to the public.

Is there a certain winemaking style you are using? Yes, we took a two-week course online and after that, we traveled to California and completed hands-on training in the process of how to make the wine from raw materials to how to bottle the wine. It is a process that all the franchisees learn about, so when we make it ourselves, it will be the same consistency from each one of us.

Once we get started, customers can create their own flavor of wine. If the wine is a seller, then we can send the ingredients to the franchise and they can pass it along to other franchisees. That is the exciting part: The franchise is giving us a little bit of freedom to be able to create something that we can own, that we can say we made here in E-Town. I have not initiated that process yet, but my daughter and I will create something special for E-Town once I do.

Can the consumer create a specific wine they want? Yes, they can decide what they want and we can create it for them. We have dry wines, and if someone liked that wine but really wanted it to be sweet, we could create some ingredients to add to the wine to make it sweet. We can specialize labeling too. We do all labeling in house. If someone wants a unique label, they send us a copy of it, and we can create that label and place it on their bottles. This part is great for holiday gifts.

If I wanted to do my own wine, it looks like it makes about 25-27 bottles and takes about five to seven weeks? That is correct for the white wine; you can be enjoying it in about four to eight weeks. The red wine takes nine to 18 months to age.

Is this something new? I have yet to see a winery that will let you make your own wine. Yes, that is the unique thing about this franchise. They give you the freedom to create something that you can call your own and still be a part of the franchise and be able to share that with the other owners and share it with the community.

If you make a hit wine and share it, do you get proceeds, or does it all go to the franchisee? How does that work? We get the proceeds from all the wine we sell. That is what we do as a franchise family. We share ideas. We benefit by communicating with the other owners, and they can share it with their guests.

Is the bistro part of the franchise also? Yes, we had one franchisee that started with just selling the wine, and she missed out on revenue by not adding the bistro. When she added the bistro, she started making a profit.

What kind of input do you have on the menu? Or does the franchise set it? Ken gives us free rein on the menu and who to hire. We have a full restaurant staff hired and managed by me.

Do you purchase through the franchise, or do you source locally? It is locally sourced. The franchise has set up suppliers and other vendors to get the freshest and best price for the ingredients that we need to be successful.

Do you suggest certain wines with your entrees, or how do you pair your food with your wine? You go by what ingredients you put in your food. For example, the pork slider has a sweet, tangy sauce, so you want to try to balance a sweet wine with that sweetness. You can also use a dry wine. Our most popular is called the Big Daddy Red, which is a blend. That goes great with the pork slider.

Do you have a favorite wine? Yes, my favorite one is the Almond Sparkling. I am a semi-sweet wine drinker, so when I tasted the Almond Sparkling, I fell in love with it. That wine is shipped in from California. I recommend it to everyone.

Jake Kratzenberg is chief operating officer of The Lane Report, Inc. He can be reached at jake@lanereport.com.
How communication style can make or break your company

BY JOE LILLY

A business leader, you wear many hats. You must know management, finance, law, growth, personnel and economics, among others. However, if you do not acknowledge the importance of good communication, your company’s bottom line could be negatively affected. Here are eight simple communication rules that could help your company grow.

1. Others communicate more expertly
Thinking you are a communications expert is a simple—yet arrogant—mistake to make. You can read and write, therefore you must be a communications and marketing expert. You know your business better than anyone, and you are the best qualified to talk about it.

Not necessarily.
While you no doubt received intense business, economics and management training, others have studied the best strategies and tactics to market your company to the appropriate audiences. Trust those people. Listen to them. If you disagree with them, express your opinions and work with them, but be open to what they say.

2. “Work the Plan”
Your company should have a marketing/communications plan, with strategies and tactics to achieve your goals. You need to understand and contribute to this plan. You also need to stick to it and not get drawn off with every new idea that comes up.

A former boss of mine used to constantly remind me to “focus on our priorities” (which, by the way, is great advice). However, after almost every meeting in which a new idea came up, he’d say to me, “We need to get on this right away.” He was guilty of not “working the plan.”

3. Market to your audience, not to yourself
I was once on a team that created a marketing campaign aimed at encouraging teenagers to look at a variety of vocational options. The campaign was youth-oriented and edgy. Our focus group of teenagers loved it. However, when we showed it to a group of middle-aged teachers, they hated it. We had to remind the teachers that they were not the audience.

Ask yourself, who is the audience for my product/service? What’s their age/demographic makeup? How will this benefit them? Research your audience and strategically market to them. Don’t cast too wide a net. Remember, you are not the audience.

4. Don’t speak “off the cuff”
If you are in a high-profile industry, you may get requests to speak at conventions or events, or you may be asked for media interviews. If you get these opportunities, don’t “wing it.” Prepare.

Have your communications people prepare sample questions that could be asked. If you don’t have one on your team, ask yourself, “What questions DO I want to get asked?” and “What questions DON’T I want to get asked?” Prepare answers for both and share them with people you trust. They can help you correct your gaffes before you make them in public.

5. Communicate with your staff
If given the opportunity, your employees can be your most effective sales team. Tell them what’s being done and why, and they will be happier and more likely to share your message with customers or clients. Likewise, if they don’t know what’s going on, they can be incredibly damaging to your company’s reputation. Getting their news from the rumor mill is almost always negative.

Talk with your team in a consistent, planned way in staff meetings, weekly emails or other forms. Let them know what’s going on in the company and why—the good and
the bad. Communicate personnel changes, especially when new people are hired, or employees leave for new opportunities. This replaces the rumor mill with facts.

6. Listen
When hiring a new communications staffer, I always told them that I expected them to disagree with me when they felt I was wrong. Trust me, they did!

However, when they did this, they almost always had a better idea, or a way to make my idea more workable. They improved the product and felt empowered in the process.

Thankfully, I realized that they had creative abilities I didn’t, and I trusted them to communicate our messages in the most effective way possible. When I did not agree with their suggestions, I told them why, and we were able to find an appropriate compromise.

In short, listen to your people. They just might teach you something.

7. Be accessible to your customers
Customers are the lifeblood of your business, so you must create ways to listen to them and respond positively.

Social media is a great way not only to market to customers but also to accept and respond to problems and criticism. You might not like some of the things that are written about you, but if your team can monitor social media posts and respond quickly with solutions, your business will get a reputation as being responsive to the customers’ needs. That often results in repeat customers.

8. Don’t cut the marketing/communications budget during down times
While budget cutting sounds reasonable on the surface, think of it a different way: “Our business is down, so let’s market ourselves less.” Shouldn’t that be the time to market your company’s products or services more?

Marketing budgets are often the first to go in a downturn. While they should not necessarily be exempt from cuts, don’t automatically look to those budgets first. Evaluate what’s being done, and find ways of doing it better and more effectively.

The bottom line is this: Effective and ongoing communications is as important to your business as monitoring budgets, sales reports and growth plans. You may be an expert at running your company. You might not be an expert at communicating its benefits.

Joe Lilly is a communications consultant in Louisville. Contact him at jlillys@bellsouth.net.
The (Cyber) Risk of Returning to the Workplace

Businesses need to ensure that computers used at home have not been compromised

BY GUI COZZI

COVID-19 has rapidly changed the landscape of our professional lives. No one could have predicted the year that we have seen, nor the digital transformation that has occurred in many organizations as they quickly adapted to a work-from-home model.

The good news is that eventually the pandemic will end and most people will return to their normal duties working in the office. After spending months working from home, many of us are anxious to go back to the office on a regular basis to meet with colleagues and clients and experience the social interactions that we didn’t know we would miss so much.

During the early stages of the pandemic, there was an uptick in cybersecurity incidents related to remote work. Some organizations rushed to open remote access and quickly provided laptops for employees to stay productive from home. These organizations may also have given users local administrative rights on their laptops, allowing them access to install any software on their machine. This can open up the machine to vulnerabilities, especially if the software is potentially malicious in some way.

As companies are thinking through their return-to-the-workplace strategy, managed IT service providers urge organizations to make sure that cybersecurity risks of coming back to work are taken into account. Implementing a comprehensive plan for your organization before employees return is of the utmost importance. The risk appetite (risk that an organization is willing to accept) will be different for every organization, but the basic checks will remain the same for most organizations. Companies need to know how to ensure that the devices that were used in homes for months are not compromised and will not be leveraged by threat actors to wreak havoc as soon as they are connected to internal networks. An organization may have many technical controls in place to prevent incidents within their network, but it can be difficult to account for the wild card of machines that have been at other locations being introduced back into the office.

What software was installed by the employee and what other devices have been on the same home network 24/7 for the past few months? How can you assess how the device was used in the household or the level of exposure to unsecure devices?

Once threat actors gain access to a system, they can be idle for days, weeks or even months before launching a cyberattack, waiting for the right opportunity to strike. Unfortunately, this may be when the user brings in the infected machine and reconnects to your network, allowing the threat to infect many more machines in your organization.

In addition to standard practices like effective patch management and up-to-date malware protection, it is recommended that IT staff review these devices before they are reconnected to the internal network. This can be done manually or with the implementation of a network access control (NAC) system. This allows your organization to set a baseline that machines must meet before they can connect to your network. These baselines could include ensuring that the machine is patched with the latest critical updates, making sure the firewall is turned on, and that the machine has anti-malware software installed.

The majority of these solutions can be tailored to fit your organization’s specific needs. Managed IT providers can assist companies in putting together a plan to make sure employees’ devices do not put your information and systems at risk.

Gui Cozzi is cybersecurity practice leader at Dean Dorton, a Kentucky CPA accounting firm with an IT security/tech consulting division that offers a comprehensive portfolio of information security services.
T’S probably safe to say that the Small Business Administration’s 2020 Small Business Person of the Year for Kentucky, Mavis Linnemann-Clark, has always had a passion for cooking. As a young girl growing up in Northern Kentucky, she worked in bakeries, candy stores and coffee shops, all the while improving her baking skills at home with chocolate mousses and layer cakes.

Though she elected to study magazine journalism in college, after graduation she rediscovered her love for cooking. In 2010, she enrolled in Kendall College in Chicago, where she was classically trained in French cooking techniques.

After earning a catering and personal chef certificate from Kendall, Linnemann-Clark moved back to Northern Kentucky and in 2012 established her catering company, The Delish Dish, in Covington.

Only one year into her venture, she was a finalist in a woman-focused startup accelerator, Bad Girl Ventures. That same year, she also joined the Northern Kentucky Incubator Kitchen and launched an artisan line of jams and jellies, Made by Mavis.

With success comes the need for managing that success, so Linnemann-Clark sought input from the Small Business Development Center (SBDC) at Northern Kentucky University and the local SCORE chapter, a 501(c)(3) nonprofit organization and a resource partner of the U.S. Small Business Administration.

“When I first started my business, I had no idea that such free resources existed!” said Linnemann-Clark. “I developed close relationships with Rebecca Volpe, who used to run the NKY SBDC, and with my SCORE mentor, Carlin Stamm. I still meet with Carlin once a month to discuss my business and ask for help on issues I’m dealing with. They have helped guide me through so many difficult and challenging situations, including purchasing property, handling staffing and HR issues, launching new brands, negotiating leases and contracts, pricing products, and so many more things. I would not be where I am today without them.”

With their help and guidance, Linnemann-Clark saw her cash flow increase three-fold over a four-year period.

In 2016, Linnemann-Clark seized the opportunity to take over a 5,000-s.f. kitchen in Covington and the next year launched Kickstart Kitchen, which provides temporary leased commercial kitchen space to food entrepreneurs to launch or grow their small business. Kickstart Kitchen also offers complimentary assistance with business planning.

Like so many others in the hospitality industry, Linnemann-Clark said COVID-19 “has been devastating to the catering and events industry, just like the restaurant industry.” All of her corporate business evaporated overnight and weddings were either postponed or canceled.

In response, she created a carryout menu and moved to a curbside carryout and delivery model. This fall, she launched The Delish Dish To Go, which offers pre-made dinners, take-and-bake appetizers, soups, breakfast items and desserts, all available for online ordering and pickup.

“No matter how many years you’ve been in business, there will come a time when you are forced to adapt and change and to create something new where there wasn’t before,” Linnemann-Clark said. “You can cry for a day or two, but after that, put your feet to the floor and make things happen.”

Spoken like a true entrepreneur.

Since launching her business as a one-woman operation, Mavis Linnemann-Clark now has 12 full-time employees and 30 part-time employees.

A Recipe for Success
Northern Kentucky chef Mavis Linnemann-Clark named Kentucky’s 2020 Small Business Person of the Year

Since launching her business as a one-woman operation, Mavis Linnemann-Clark now has 12 full-time employees and 30 part-time employees.
Environmental Control

Keys to being more productive when working from home

BY KAREN HAWKINS

These days, employees are putting together makeshift offices in dining rooms, guest bedrooms, basements—basically anywhere they can. It seems the workscape is ever changing and that constant change brings a unique set of challenges.

There might be interruptions from a barking dog, a lost internet connection, an Amazon delivery—not the normal distractions of others walking past your office or stopping by to talk about the game last night. However, I choose to focus on the pros of no commute (which hopefully means more time to rest), playing music as loud as I’d like or being able to start a load of laundry when I get up for a quick snack.

Still, I hear people say they miss PEOPLE! They miss the interactions that are often taken for granted, like saying hi to someone in the parking lot or noticing a co-worker has a new picture on her desk and learning the story behind it.

Since working remotely for many employees and employers is a new, uncharted type of arrangement, I strongly recommend employers write a policy with simple terms to lay the foundation of how employees and their managers should operate when working from home. (See box below.)

Communication is key

Communication is absolutely critical when employees are working remotely. Employers want to make sure that employees still feel connected AND that they are being productive. Some of my clients are having virtual morning check-in meetings that last about five to 15 minutes. The purpose is to feel like a team and have a brief discussion of what’s coming up for the day. Some employee engagement ideas include daily trivia, themed Friday apparel and sending pictures to each other, recipe sharing days, and so on. There are also companies that offer virtual team building sessions or experiences for fairly low cost. A quick Google search will find these types of offerings.

We all need something fun to look forward to these days!

Karen Hawkins is the owner of Hawkins HR Consulting LLC in Lexington.

Topics to Include in a Work-from-Home Policy

Eligibility. One challenge right now is how to treat new employees. They need to feel connected and welcomed on their first day, week, etc. I have one client that does a hybrid with their new employees by having their first week in person, including a staff lunch to see all faces and get to know each other better. After that, the next few weeks may be 50% or more working from home. For all employees, employee attendance and level of self-direction should also be a factor in determining if he/she will be allowed to work from home.

Job suitability. Determine which positions lend themselves to working remotely. An accountant may be able to work 100% of the time from home whereas a supervisor of a production facility cannot. I recommend that companies have one “gatekeeper” such as HR, an office manager or business owner to maintain equity and justification for each position’s ability to work remotely. This helps with consistency and consequently, less confusion or frustration on both sides.

Schedules, availability and productivity. The work schedule should be no different than the schedule an employee would work while in the office unless specific arrangements have been made and communicated to the rest of the group. Employees should be available for virtual meetings, phone calls, emails, etc., during the normally scheduled work time. Determine the general percentage of time or numbers of days per week that will be allowed for each person to work remotely and adhere to that guideline.

Equipment. Appropriate equipment should be determined and an agreement should be clear regarding who pays for internet connections, cell phones, etc. Internet connection speed is an important factor in general workflow and virtual meetings. Employees must be made aware that company equipment is for business use only. An inventory list should be maintained by the company to ensure all assets are accounted for.

Security. Employees working remotely should be expected to maintain the protection of proprietary company and customer information accessible from their home offices. Steps must include the use of locked file cabinets and desks, regular password maintenance, etc.

Work Rules. All work rules will continue to apply to employees when working in a remote setting. Employees working remotely who are nonexempt (eligible for overtime requirements of the Fair Labor Standards Act) would still be required to accurately record all hours worked.
Aging in Place

How to assess home-care options

BY TAMMY ELLIOTT SCOTT

Due to restrictions nursing homes and senior living facilities have had to place on visits to reduce the risk of COVID-19 transmission, families are seeking other options for loved ones. Home care is become an increasingly appealing choice for loved ones, who can remain in their own environment.

But there are many considerations. Home care allows seniors to remain safe and happy at home. Typical services include dementia care; Parkinson’s care; recovery from injury; transitioning from a facility to home; companionship; grocery shopping; and participating in crafts and hobbies.

It also provides meal assistance for particular dietary needs; general errands; respite care; light housekeeping; laundry; watchful oversight; changing bed linens; assisting with pets; transportation to appointments; bathing, grooming and dressing; gardening and houseplant care.

To assess your family’s best solution, determine the needs for the individual and research agencies to find a match. Decide whether your needs are non-medical or services only a home health company provides. Medical home health such as nursing or physical, occupational and speech therapy requires a doctor’s order.

While home care and medical home care are two different services, you can have both at the same time. The right home care agencies can work together to provide optimal services.

When looking for a home care agency, consider the following:
Is the agency licensed and bonded? Do they perform background checks on their caregivers? Do they require drug testing for caregivers? What training do caregivers get? Are they flexible in the care provided? Is care customized to specific needs? Do they take time to get to know your loved one and their specific needs? Do they show compassion? What are the terms of the contract and cancellation policies?

There are many ways to locate an agency. Read internet reviews and ask questions of your doctor, friends, etc. There are extraordinary people who are happy to help meet your loved one’s needs and provide excellent care and companionship.

Tammy Elliott Scott is CEO and owner of Bluegrass Home Care Services.
Delving into the History of Bourbon

The Kentucky Black Bourbon Guild is working to improve multicultural bourbon tourism in the commonwealth

BY JAKE KRATZENBERG

Long before Kentucky became known as the bourbon capital of the world, the colonial mid-Atlantic states produced most of the alcohol consumed in America. It wasn’t until Congress passed the Excise Whiskey Tax in 1797—which subsequently started the “Whiskey Rebellion”—that distillers began moving South, where regulations were less strict. With the move, Northern distillers began using slaves to farm, tend, cut and shuck the corn for the bourbon mash. There isn’t much documentation to support that slaves were the ones distilling the spirit, but one can assume that they completed or helped in the process of making bourbon. Recently, Jack Daniel’s acknowledged a slave named Nathan “Nearest” Green as the first African American master distiller. Why is that name important to whiskey drinkers? Nearest taught Jack Daniel how to make whiskey.

Currently, there are 2,000 distilleries in the United States, only 19 of which are owned by African Americans—a number that seems low compared to the contributions the African American community made in the infant years of the spirit.

The Kentucky Black Bourbon Guild (KBBG) is leading the charge here in Kentucky to increase that statistic by offering classes and tastings to teach other African Americans the history and characteristics of bourbon in Kentucky. The KBBG was founded by Robert Beatty, who was inspired by a visit to the Oscar Getz Museum of Whiskey History in Bardstown. He noticed the early black-and-white pictures that lined the halls of the distillery, each of them full of African American slaves, but with no names or background information. He wanted to know more, so he reached out to his friends. One friend gave him the name of Freddie Johnson, a renowned tour guide at Frankfort’s Buffalo Trace Distillery and member of the Kentucky Bourbon Hall of Fame. Once they connected, the idea to create the Kentucky Black Bourbon Guild was initiated. Its purpose is to improve multicultural bourbon tourism in Kentucky, promote community development and professional networking, provide industry-related educational resources to its members, and build working relationships with distilleries of all sizes.

Jake Kratzenberg: Can you tell me about yourself?

Robert Beatty: I was born and raised in Lexington. My introduction to bourbon was when I was entertaining a client at the Big Blue Martini. I walked up to the bar and asked for the best bourbon on the shelf, and the bartender asked for my credit card upfront. I thought it was weird, but handed it over. He brought back the receipt, and it said $212. I was shocked that two 1-ounce pours of bourbon were so much and asked him why. He said I had asked for the best and he gave me Pappy Van Winkle.

KBBG members tour the Buffalo Trace Distillery in Frankfort.
Winkle 15. That bourbon is $100 an ounce. After that, I started to do my research on bourbon.

**JK:** Did you see a need for African American representation in the bourbon sector?
**RB:** Absolutely. The need is because of the absence of marketing to African Americans, and we are one of the top consumers of premium liquor. When I flip through magazines and watch TV, I do not see an accurate representation of my race. Research shows that African Americans spend their disposable dollars on premium spirits. Most advertising promotes bourbon to old, rich, white men only, which is just not true.

**JK:** I know that your guild is associated with local universities. How is the distillation program at Kentucky State University coming along?
**RB:** Fantastic. It is growing. They met their first-year enrollment goals and the program continues to grow. Our goal is to lead students into the distillation program. We have created partnerships within the industry, like Buffalo Trace, which has a direct pipeline to KSU’s program. Currently, we have three students on scholarship, with one graduating this year.

**JK:** I see on your website that you do tastings and classes. Can you tell me a little bit about what is involved?
**RB:** What makes our guild unique is that we are honoring the African American contribution to the bourbon industry while still developing the everyday consumers. We educate our members not just on the spirit but also on the historical component of bourbon. We have monthly tastings that our members participate in and we bring in a brand and supply all of the bourbons. The distilleries come in with their story and educate our group on their spirit. Each explains their ideology and thought process on creating the mash.

Once a month, on a Saturday, we have a workshop led by one of our members, who is a professor of bourbon. The professor leads a two-hour seminar, which is included in the membership, plus we get exclusive tours of the distilleries. The pandemic affected the way we meet. We do not want to put anyone at risk, so we have pivoted to virtual meetings.

**JK:** What are your favorite bourbons right now?
**RB:** My favorite bourbon that I am enjoying currently is a Four Roses barrel select from Justin’s House of Bourbon. I am also enjoying a barrel selection of Wilderness Trail. The last one is one that is blowing my mind: a four-year Pinhook Vertical Series product.

**JK:** How do you see your organization shaping the bourbon industry in the future?
**RB:** Our superpower is education. We are educating our members. We are taking them from bourbon newbies to bourbon enthusiasts. We are a diverse organization. Our members are 65% women. We have all walks of life, all shades and colors. The African American historical component is essential to our organization, but it is also American history; therefore, we are introducing people to untold history.

Jake Kratzenberg is chief operating officer of The Lane Report, Inc. He can be reached at jake@lanereport.com.
WITH travel brought to a near standstill this spring, COVID-19 has been hard on the hospitality industry. Adding insult to injury, a Bardstown bed and breakfast's initial "shelter-in-place" losses were followed by a major property fire. Bourbon Manor innkeepers Todd Allen and Tyler Horton have experienced quite a 2020 so far. Yet amazingly, the B&B is now busy again.

First, the pandemic. When its realities became clear in March, business began to taper off, says Allen. Then every reservation in April and May canceled.

"Because of the Keeneland race meet, those are usually two of our busiest four months," he explains. "We had to refund over $65,000 in deposits. We attempted to reschedule some reservations, but there was so much uncertainty about when it might be safe to travel. Our revenue is down 50% this year. However, when guests began calling in reservations again, it was as if the floodgates had opened."

Allen speculates that the reopening of Maker's Mark and Jim Beam for tours was at least partially responsible for the influx of guests. Another important factor was likely Bourbon Manor's TripAdvisor Hall of Fame status. Allen and Horton acquired the property in 2013, gave it a $1.25 million renovation in 2013, and opened the following year. Within six months, Bourbon Manor—formerly named the Rosemark Haven B&B—jumped from one of the list's lowest-ranking B&Bs in Bardstown to No. 1, where it’s remained for the past seven years.

Located in the Bourbon Capital of the World, Bourbon Manor is the world’s first bourbon-themed B&B. A beautifully restored 1810 Federal-style home and 1825 antebellum mansion, it features a bourbon bar and lounge converted from an old tobacco barn, a health and wellness day spa, and prime access to the Kentucky Bourbon Trail. Ten lavish guest rooms bear names like the Mint Julep Room and the Hot Toddy Room.

The Manor’s Bunghole Bourbon Bar and Lounge became a popular, two-story hangout for guests and featured a selection of 130 bourbons, including vintage and hard-to-find selections, signature cocktails, bourbon flights, wine and craft beer, along with tapas and desserts.

Then came the fire. The Bunghole had begun entertaining patrons again when, in the wee hours of July 7, lightning struck and the historic wooden structure—filled with all that luscious liquor—burst into flames that soon reached 100 feet in the air. Fortunately, the innkeepers awakened and made sure all guests vacated their
quarters. The back part of Allen and Horton’s house had begun to burn but was contained by firefighters.

“Had we not awakened when we did,” says Allen, “we’d have probably perished in the fire. I assumed we’d find at least a few things still intact in the barn’s rubble, but everything was gone. Incinerated.”

Immediately, the owners announced the news of the fire and set up a GoFundMe site.

“We were so touched by the outpouring of concern people had for us and our ability to recover,” says Allen. “Our guests have been so good to us.”

With the news that the onsite bar was gone, reservations began canceling. Always fiercely upbeat, Allen and Horton purchased a “beautiful bar” for the main Manor house. Their bourbon collection is not quite as extensive, but still features everything listed above that the Bunghole offered.

An exception is the Bourbon Manor Bourbon Academy, which is currently on hiatus.

“We know our bourbon fans—98% of Bardstown’s visitors come for the bourbon—want to learn about and truly experience bourbon,” Allen explains, donning his other hat, that of chairman of Bardstown Tourism. “They get some of that at the distilleries. But we want to take it to the next level, so people can learn about bourbon tasting and bourbon history, and have an opportunity to experience top shelf brands. Education is the purpose of the Bourbon Academy.”

The Academy will be offered again in the future.

Allen and Horton also host corporate retreats that can accommodate up to 25 guests. Early in the year, when the inn is not as busy, is an ideal time to schedule.

“We’ve adopted the American Hotel and Lodging Association’s Safe Stay cleaning and sanitizing protocols that are very stringent with careful attention to detail,” Allen says. “Guests can be reassured that staying at a smaller lodging, like our B&B, will be a safe getaway.”

The staff always wears masks around guests, there’s plenty of room for social distancing, and shared areas can be used for meeting or dining space.

Stay at this exquisite property and schedule one of their three bourbon tours: self-driving, a local excursion shuttle, or private transportation in a limo or SUV with a dedicated driver. All tours include stops at two distilleries, the Oscar Getz Museum of Whiskey History, a $50 gift certificate to the local restaurant of your choice, a box of Rebecca Ruth bourbon balls, two rocks glasses and two cocktails at the Bourbon Manor bar.

Plans are in the works to rebuild the Bunghole with a target date of spring 2021. In the meantime, consider a holiday stay at the elegantly decorated Manor. In addition to bourbon immersion, you can take in “Light Up Bardstown,” with some 30-plus downtown shops and Christmas lights everywhere.

Visit bourbonmanor.com or call (502) BOURBON (268-7266) to book your stay. Looking for present for someone special? Treat a friend to a Bourbon Manor B&B gift certificate!

Katherine Tandy Brown is a correspondent for The Lane Report. She can be reached at editorial@lanereport.com.
Legal Services
The demand for legal services is growing as businesses work to deal with changes caused by the pandemic and compliance with relief programs.

Lane One-on-One
In a special Lane One-on-One, University of Kentucky men’s basketball coach John Calipari and his wife, Ellen, discuss the philanthropy performed by The Calipari Foundation and how they stress their giving-back philosophy to the UK basketball players they work with during their time in Lexington.

Economic Outlook 2021
We learn what the “group think” is for the 2021 economy as we hear from dozens of Kentucky CEOs, elected officials and heads of public organizations who share what they expect in the coming year for their organizations and for Kentucky as a whole.

Private Schools
Kentucky’s 393 private schools, most of them faith based, have about 70,000 students—midway between the enrollments of Fayette and Jefferson public schools, the state’s two largest systems. They charge tuition but produce students who go on to top universities, professional schools and leadership roles in the state.
Take a relaxing journey across the state to explore its exquisite natural beauty throughout every season. *Kentucky Seasons* premieres during KET’s annual WinterPledge.

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