

Have seen a significant rise in clients wanting to avail of mediation at an early stage.

The process is quick, cost effective and, crucially, is non-adversarial, with the sole aim of negotiating and facilitating a compromise acceptable to all. I would offer the following tips for making mediation work for your business.

both parties in the same room with the mediator for a joint meeting. You will be afforded the chance to present your point of view to the other party, without interruption. Use this opportunity wisely; keep calm and make your case without becoming aggressive or emotional. The negotiations are without

to get back to the real matter of running their business and putting the dispute behind them.

4. See the bigger picture — consider the likely outcome if mediation fails. Is there a possibility that the business relationship will be irreparably damaged, resulting in a significant loss of

revenue? Will it mean one party instigating court proceedings, which could be costly, both in terms of costs and time?

5. Finally, come with the right mindset — mediators do not make judgments or determine outcomes. They will ask

questions that help uncover underlying problems, assist the parties to understand the issues and help them to clarify options for resolving their difference or dispute. It takes a willingness on the part of both parties to make mediation work. See this as a positive opportunity and

make the most of it.

Contact Walker Legal at 6 Bridge St, Portadown, BT62 1WL, tel: 028 3833

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61H, 02890 918461. Next week, Paula

Morrow will focus on farm division and lifetime planning in the agri-food sector

Platform

Outside advice will help companies survive down the generations

Paul Mulholland, a founding partner at Harbinson Mulholland Chartered Accountants, explains why family businesses should face up to the many thorny issues which could affect the longevity of their enterprises

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hat will Northern Ireland's family businesses look like in 25 years time? Probably very different from the way they look now. Over 74% of



Paul Mulholland

To 'keep it in the family' in business terms, it is necessary to achieve a complex balancing act which maximises financial performance while maintaining control and assured benefits for the next generation.

In order to ensure future success, the founding generation must pass on the entrepreneurial and commercial capabilities that built the business in the first place.

At the same time, the different skills that the next generation bring to the business need to be recognised and developed.

If you have involved your children in all aspects of running

the business, you will have a firm grasp of where their talents lie.

Combining common sense with fairness in regard to roles, voting rights and shareholdings will help maintain family harmony.

Growing a business almost inevitably means bringing in senior managers or non-executive directors from outside the family, but this can pose challenges both for family members and for the individuals who are being brought in to the company.

I have come across companies where there are clear tensions between the generations involved in the business — friction can arise, perhaps, around an issue like new technology — and this can be a good time to consider bringing others into the mix.

So often, though, an outsider comes into a senior role only to

find that he or she cannot make any real impact because one or two family members maintain total control of the company and its direction.

With careful planning, however, the introduction of new blood can make a positive difference.

It's in these kinds of situations that family businesses need to be able to turn to trusted professional advisers. It's the job of accountants and experts to challenge companies to think about the future when it is probably something they wouldn't have done under their own steam.

Another important issue is finance. Family businesses here tend to rely on the banks for their finance and not to look outside of that source.

There has been an aversion to the prospect of equity finance,

with the attendant fear of loss of control.

However, in some cases equity finance can help smaller companies grow faster than they would using more traditional finance sources and the investors can also bring additional skills and contacts to the company.

That said, the banks do have a much more positive attitude to lending these days, and we're working with most of them on a day to day basis.

Every business owner should have an exit plan. That's not always something on their minds when they're working hard to keep the business where it should be and sometimes you have to take them out of the business environment for that kind of discussion.

Of course, not all family businesses will have a natural succession and disposal outside the family has to be considered. There are several options available, including selling to a third party, selling it to some or all of the workforce, or just winding the whole thing up.

For anyone considering selling their business in the next 10 years, it is important to start planning now to realise the value of all your hard work and ensure the business is in good shape for sale at the best price and with the minimum tax liability.

External factors are also important. The economic climate seems to be improving, which should help the value of businesses. While other factors may drive the precise timing of a sale, there's no doubt that good timing can yield premium results.