

How to cope with business challenges brought on from the Covid-19 Pandemic

Practical and motivating advice from family business leaders across Ireland

hm harbinson
mulholland

Part of the All-Ireland Survey
“Surviving A Crisis as A Family Business”

Developed by



NCFB
Ionad Náisiúnta de Gné
Teaghlaigh, DCU
DCU National Centre
for Family Business



UNIVERSITY OF
CENTRAL FLORIDA

In partnership with



NI FAMILY
BUSINESS
FORUM



Ulster
University
Business
School



AIB



In mid-2020, the first ever All Ireland Family Business Survey was conducted by Dublin City University, Ulster University, University of Central Florida in partnership with the Northern Ireland Family Business Forum and its founders, Harbinson Mulholland.

The catalyst for the survey came during a unique moment in Irish business history when the onset of an all Ireland lockdown necessitated the closure of many businesses overnight. Furthermore, the business leaders we spoke to are now reckoning with the roll-out of Brexit and how they can conduct their business going forward.

We felt it critical to capture the real life experiences of family business teams across Ireland during the crisis and our team recognized the value of developing a crisis resource that family businesses could take into the future.

We asked the CEO's of each of the 53 businesses who took part, which one piece of advice they would offer to other family businesses in times of crisis. Their valuable counsel is on the following pages.

We hope this will provide useful and practical advice for family businesses managing crises in years to come – research with real life impact.

If any of the team can help you or your business in future, please refer to our contact details on the back page for our details. We would be happy to hear from you anytime.

Regards,



Darren McDowell
Senior Partner Harbinson
Mulholland, Founder &
Chair of the NI Family
Business Forum



Dr Catherine Faherty
DCU National Centre
for Family Business

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Firm Demographics

Average Firm Age

Average age 49 years

Generation

Founding	19.4%
Second	66.7%
Third	11.1%
Fourth or above	2.8%

Family Involvement

On average 4 family members working within each firm

Firm Size

Average employee numbers	103
Fewer than 10 employees	7.5%
Between 10 and 49 employees	45.3%
Between 50 and 249 employees	34%
More than 250 employees	13.2%
Information & Communication	1.9%
Real Estate	1.9%

Industry

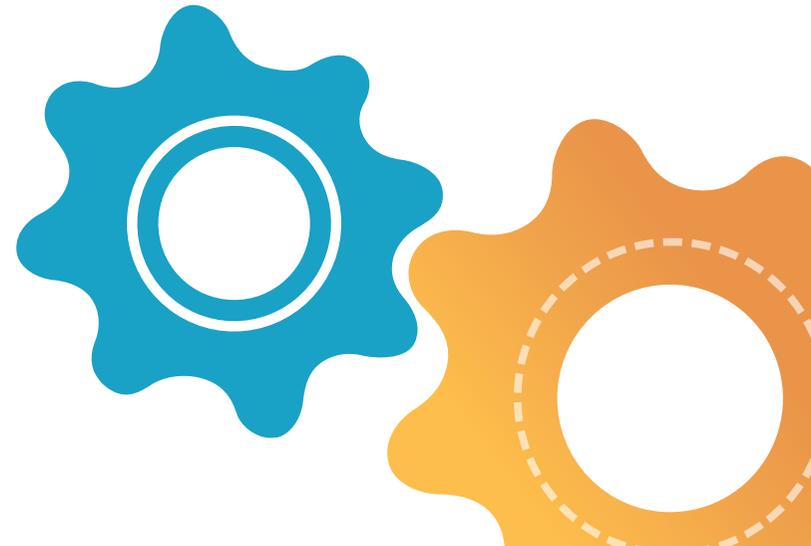
Hospitality	15.1%
Retail	15.1%
Wholesale & Distribution	11.3%
Manufacturing	9.4%
Transport & Storage	9.4%
Construction	9.4%
Motor Trade	7.5%
Services	5.7%
Finance & Insurance	3.8%
Healthcare	3.8%
Agriculture, Forestry & Fishing	3.8%
Business Administration & Support Services	1.9%
Information & Communication	1.9%
Real Estate	1.9%





Communication

- ▶ Communicate regularly to your team. Listen to their feedback and advise. They are the number one asset of the company and will require strong leadership in the changing post C19 world.
- ▶ Be fully transparent with staff and management on how business is coping.
- ▶ Keep close to your employees even when you don't have the answers.
- ▶ Take your team on the journey. Involve them in the plan, be honest.
- ▶ Stick together, keep talking to each other.
- ▶ Be totally transparent with your supply chain and clients.



Leadership & Management

- ▶ Show real involvement and leadership.
- ▶ Stay very calm and avoid looking spooked or uncertain about the direction being taken.
- ▶ Maximise consensus – even if it is taking longer than usual - and listen to the advice and input of the team.
- ▶ Make decisions after receiving input but try and bring the team members with you as much as possible.
- ▶ Your team needs to be on your side and think the same as you. Top Tip – be fair to your employees and they will always be on your side, even during pandemics.
- ▶ Be mindful that mental health issues have increased because of the pandemic, we are always watching for changes in behaviour and trying to support each member.
- ▶ Everyone is dealing with some issues and all are relevant. We refer staff for counselling if they request it.
- ▶ REMEMBER: Take care of yourselves as well as your team.





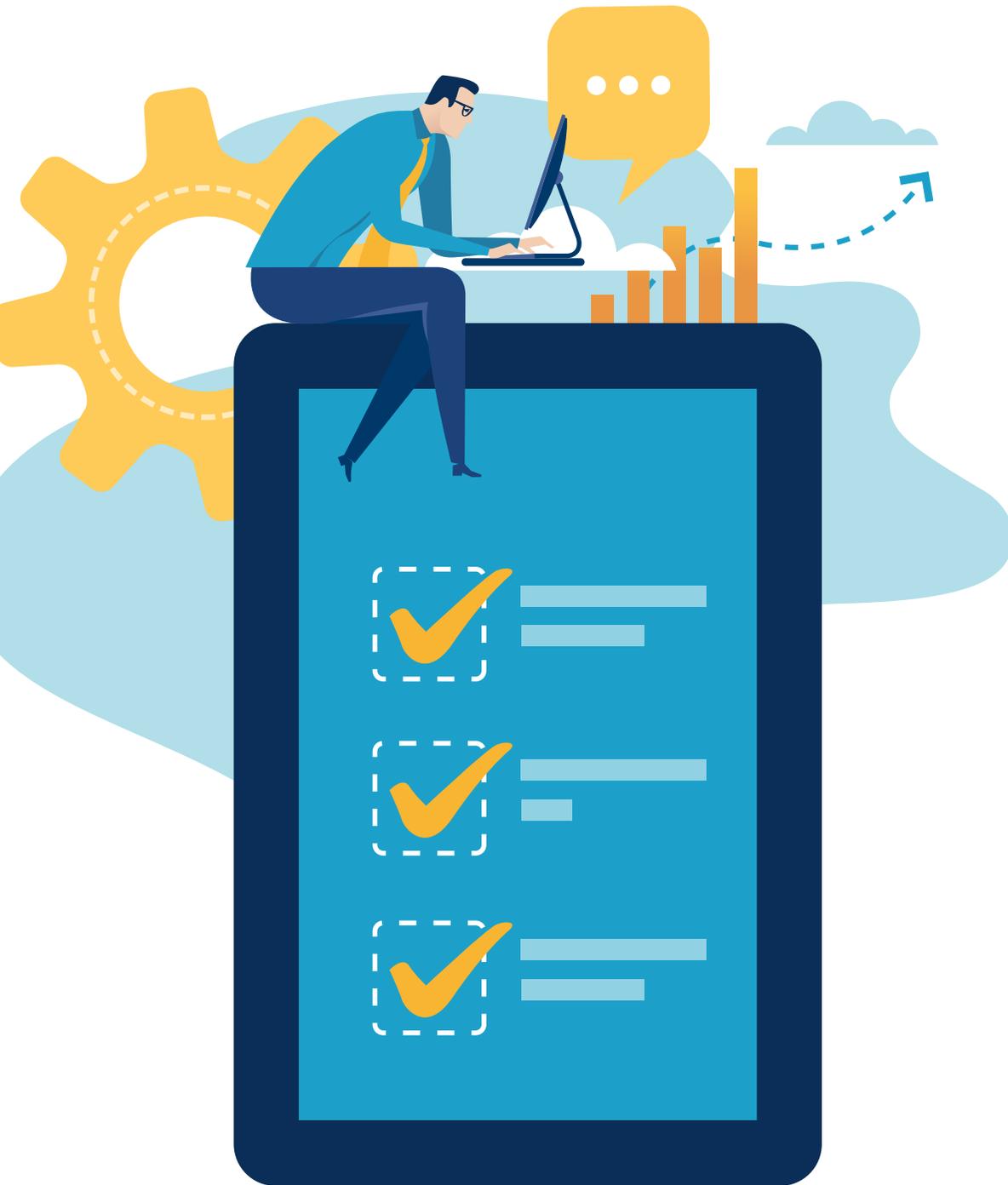
Strategy

- ▶ Get really close to the issues and identify what is really important right now – cut away distractions.
- ▶ Plan ahead to anticipate what your business might operate like after initial Covid restrictions have passed.
- ▶ Try not to let it be the excuse for other issues and get on with it.
- ▶ Focus on your core business and what will make it viable.
- ▶ Stay positive. Covid has given us a great opportunity to think and above all we need.
- ▶ To have an open mind in all things business so that we can embrace change and make it work for us.
- ▶ Concentrate on the critical elements of your business. What measures the health of the business in the real time / short term? Manage what is within your control.
- ▶ Keep negotiating better deals on supplies and service.
- ▶ It's a great time to look at every aspect of the business, especially from a lean management perspective - map out the current state (all existing processes), determine what the ideal state would be and work on the gaps.

Strategy

- ▶ Diversify if that is what is required - trust yourself and your company's ability.
- ▶ Look what others are doing away from your local area and see how you can use other people success and bring it back to you.
- ▶ See what has made your success to date and see how you can rekindle or reinvent it.
- ▶ Step back and consider your whole business in short, medium and long term.
- ▶ Talk to other businesses to see what they are doing, esp those in your industry in Ireland and abroad.
- ▶ Try to strategize, and not just fire fight.
- ▶ Try not to be afraid to make difficult decisions.
- ▶ Take a deep breath, involve all the team as well as the family in discussions on next steps.
- ▶ Be agile and always adapt to the new environment.
- ▶ Use the once in a lifetime opportunity of the pandemic to execute deep change in the organisation.
- ▶ Use your time wisely, what can you do to improve the efficiency and reputation of your business.





Finances

- ▶ Protect cash at all costs and be ware of the government support schemes ending.
- ▶ Make sure that whatever decisions you take that you do so in full knowledge of all the financial implications.
- ▶ Cash is the key to survival – ensure you have enough cash to meet your short – medium term liquidity needs.
- ▶ Find out where you are, what shape is your balance sheet in? How is your Profit and Loss looking?
- ▶ Are all aspects of your business profitable – how is your costing, can you review these?
- ▶ Before you get into projections, it's important to have a solid base. Make sure you have your balance sheet and P&L as up to date as you can to help with your cashflow planning.
- ▶ Get stuck into looking at your fixed and variable costs – what can be changed? What can be challenged?



**Remember, turnover is vanity,
profit is sanity but cash is king!**

Advice from the people behind the survey

Darren McDowell, Harbinson Mulholland

Taking a long-term view is so important in times of adversity, even when it feels you are fighting day by day. Consider the fundamental values that have driven your business, which in some cases may have been instilled across generations. Use up to date financial information to make decisions and make sure your long term objectives can be met. Don't be afraid to seek out external advice and support and the benefit of a fresh pair of eyes.

Dr Ian Smyth, Ulster University Business School

Take a breath. Maximise the effectiveness of your communications. Communicate early, often and flexibly. Clarity and simplicity of message is key. Be aware of the different hats you wear every day and choose candor over charisma at all times. Don't be afraid to show vulnerability. People respond to that.

Lorraine Greene, AIB Bank

Innovation and growth can still be possible even during times of crises. Innovation doesn't have to mean developing everything new but can mean adapting what you already do. Look at consumer demands, these are changing all the time, so know what your customers are looking for. Is there anything you can do to adapt and progress?

Dr Catherine Faherty, DCU National Centre for Family Business

Our survey outlined 8 key areas where family businesses could focus to have the greatest impact on ensuring their survival. These are benevolent leadership, effective communication, taking a step back, employee commitment, familiness, seeking out advice and support, innovation & adaptation and resilience. As we experience extended periods of lockdown and isolation, it is becoming even more essential to focus on these areas and how they can be utilized for long term impact through a strategic planning lens.

Craig Crossley, University of Central Florida

Leaders have an opportunity now to lead real change in their businesses relating to your employees and your company culture. Think about what you want your business to look like when all this is over. Invest wisely now to create change and help ensure your employees show you loyalty and commitment, so you will be best placed to get back to full productivity when cons.



**For updates on our collective work with family businesses,
future research, events, useful articles etc.**

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