



Broaden the Family Business Horizons

As the owner of a family business, chances are you're so involved with every facet of the operation you barely have time to pop your head up on the outside world.

You'd be wise to check it out and get networking though. The business world around you is a thriving mass of ideas that you need to tap into.

If you're not in tune with the views, opinions and commentaries of your business colleagues, you could be missing out on a wealth of valuable skills and experience. As a family business owner you need their assistance to guide you through the many pitfalls encountered in business.



Naturally you'll have your accountant and lawyer. They will be crucial to your business right from the start. Keep in regular contact with your accountant. Surveys have shown that while business people trust their accountants they often don't ask them for advice - your accountant can in fact provide advice on all aspects of managing your business.

Access to Information

But family businesses should consider broadening their horizons even further. Seeking help from, and networking with other family business operators, company directors, investors, business mentors and other professionals gives you access to considerable knowledge.

You'll also be exposed to a wide range of views on issues that matter to you - succession, family involvement in your business, professional development, strategies for growth and so on.

How do you involve other family members in your business? What is your succession plan? Do you have anyone to take over the business? How do you plan to raise capital for growth?

These are questions tackled by business owners every day. Don't try and work it all out for yourself. The skills and experience of others are already out there in the community. You just need to start tapping into them.

In his book "*Small Business for Dummies*" Veechi Curtis makes the point that 'help comes in many forms'.

"The important thing is to recognise that you're not invincible and that everyone - no matter how brilliant or energetic they are - needs help from time to time," he says.



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Breadth of Knowledge

Various surveys show that management teams of most small family businesses in New Zealand stick around for a long time. And because of this, they often don't have the same breadth of knowledge of management teams run by 'outsiders'. These companies are up with the play, they know what is happening in the business world and they often have a successful track record to prove it.

It goes to show how critical it is for small family business owners to be involved in activities away from their business with peer networking groups. You need to be in a position where you are continually confronted with business developments, bamboozled with technological innovations and challenged by new management thinking.

Your own professional development does not stop with the start of your business. Management education must be ongoing. Only then can you expect to be successful, and thoroughly prepared to hand over your business when the time comes.

Get Advice on Succession Planning

It's no secret that an alarming number of family businesses do not reach the second and third generations. Mostly this is a result of little or no succession planning, or perhaps, succession planning done badly.

The problems of succession planning are not insurmountable, but done properly, succession planning involves a range of people including:

- The family
- Employees of the business
- Suppliers
- Bankers and lenders to the business
- Customers of the business
- Professional advisers to the business

Consider having one or two business people who can act as mentors to advise on the business strategies being developed for the succession plan. Often an experienced businessperson, not directly involved in the business, can quickly grasp a problem and find a solution. As an outsider, that person can also help gain consensus from within the family on the decisions that need to be made.

Next Steps - Broaden Horizons, Broaden Knowledge

- Consult your accountant - discuss business issues regularly. Accountants can provide more advice than you may realise.
- Network with others - competitors or complementary businesses, everyone can gain from networking.
- Forge alliances - seek out ways in which your business can operate in tandem with a complementary business to help each other. Referring clients to each other is an example of this.
- Contact the local Chamber of Commerce - these groups can offer mentors, useful business workshops and business networking meetings. They are worth checking out.
- Contact your local industry group - these groups can be a valuable resource.
- Consider bringing in 'outside' management - this arrangement can be especially useful for family businesses during succession. Talk to your accountant.



Be sure to read each article with the mindset "How this could apply to our business". Thinking of it that way will guarantee that you get value. Also make copies for each team member. To really make sure something positive happens, work with your business development specialists to talk your team through ideas.



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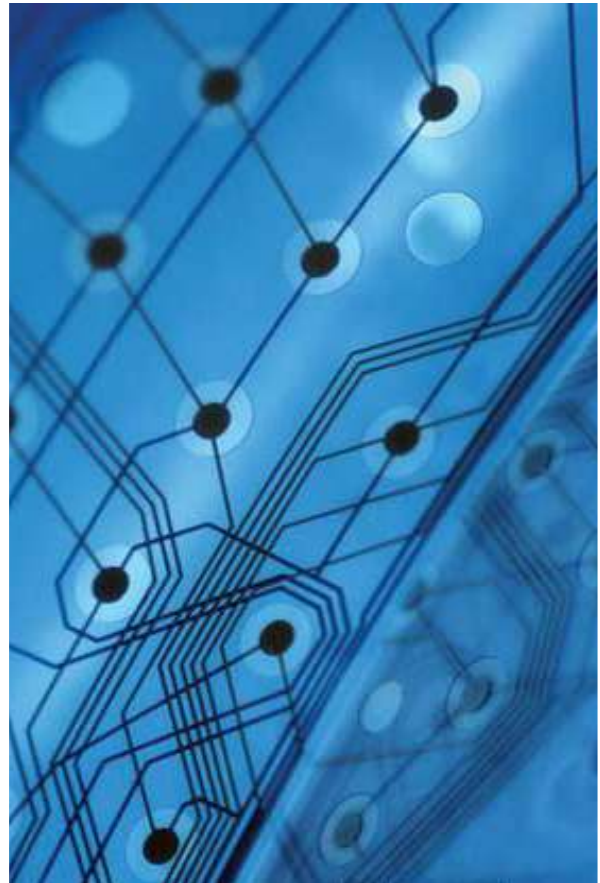
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Networking - The Way of the Future

To many observers, networking is the way of the future for small to medium-sized businesses. Essentially a network is a group of enterprises pooling their talents and resources to get results that otherwise would be impossible.

The Benefits to business:

- Sharing the enormous amount of expertise now required to survive in business
- Overcoming common problems of limited resources, limited skills, limited capital base and overall insufficient critical management skills
- Gaining access to a repository of knowledge in relation to markets and other suppliers and their products
- Overcoming barriers for growth through lack of financial resources and marketing expertise
- Accessing new markets, customers and suppliers
- Increasing muscle from their combined strength, ensuring they can continue to compete in the future
- Overcoming the difficulties of insufficient size - while successful in their own right, many SMEs are too small to be competitive head-on with major companies
- Providing a scale of economy or buying power and offering a broader range of financial and human resources with which to expand their businesses
- Producing individual items and services that, when put together, create a product that none of the members could have produced on their own



Don't Blame Others for Lost Time

How many times have you dreamed of having more than 24 hours in a day?

Probably quite a few. But in reality, would you do things any differently? If you've got bad time management practices now, you're likely to fill any extra hours in the same way.

Good time management involves planning, delegation and elimination of bad time-wasting practices, and it's essential for small business owners.

Everyone is allocated the same amount of time each day. How you spend it will have a significant impact on how you perform in business.

You need to work out what hours you will allocate to work, sleep and leisure. Then work out how you will allocate the competing areas of responsibilities within your business, for example: sales, attention to clients and staff, planning, leadership, training and development and skills maintenance.

Working on your business, on the planning of your business, is really critical. This is where you need to be spending most of your time - looking for new opportunities, relationship building, long-term planning and so on. To achieve it you should try for a quiet, uninterrupted time each day. Consider having messages taken for you to return at specified times.

Other things to consider include:

- Goal setting and marking off when each task is completed
- Encourage your staff to set time goals and productivity targets
- Periodically prepare a log sheet of the amount of time you spend on various tasks
- Analyse your daily log at the end of each day. Did you achieve what you set out to do? Why didn't you achieve what you set out to do?
- Control the telephone. Do not allow it to control you
- Determine the activities that waste your time and plan to overcome the problem
- Stick to agendas and time limits at meetings. Take minutes and distribute
- Create specific times when you will meet with visitors and network with colleagues
- Never blame other people for your time management problems!

Staff are Vital to Your Business - Treat Them So

Without your staff would you have a business?

If the answer is 'no' your staff obviously play a huge role in your business. In fact they are worth their weight in gold. And part-time and casual staff are just as important as full-timers. They need to be treated as part of the team.

There's a big job involved here. To be effective in business you must be able to properly manage people. Communication, listening to your team, showing them that you care and understand their problems, explaining where the business is and where it's going - these are essential leadership ingredients.

And bear in mind, managing people takes time. Don't assume a half-hearted approach by squeezing staff issues into a weekly specified time slot.

Think about what motivates people at work. Numerous surveys indicate salary is not the most important thing from an employee's point of view. More important are:

- Full appreciation of a job well done
- Feeling 'in' on things (in other words being communicated with and listened to)
- Interesting work
- Job security
- Wages at a proper level
- Sympathetic help on personal problems
- Promotion and growth
- Personal loyalty to the worker
- Good working conditions
- Tactful discipline



Keeping them informed

Many of these points, for example, communication, are especially important for part-time workers. They may not be there to attend meetings, or hear the latest news, but that shouldn't prevent them from being informed.

Good, open communication is critical for a well-run business. If necessary find other ways to communicate with staff who are not at work all the time.

Doing interesting work is another bugbear of part-timers. Rather than being left with the duller aspects of the job, part-timers should feel just as empowered as full-timers to take on more responsibilities. Personal development should be a high priority.

Don't overlook the valuable work your staff are doing for your business. They deserve your thanks as well as your inspired leadership.

"Networking is about building relationships, sharing and listening to people - not about doing a hard sell. When you go to a networking meeting, go with the attitude 'how can I help others in this group?'"

"Small Business for Dummies" Veechi Curtis

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