

# FAMILY BUSINESS

AUTUMN 2007

Women are taking charge of family companies, but face specific issues connected with becoming the new boss.



## Women take charge of more family companies but face added hurdles

By Maurice Smith

**The traditional “father to son” role in Scottish family businesses is changing fast, with an increasing number of women taking over as the new generation of owner-managed companies.**

Typically, young professional business women are being drafted into the family business with a view to taking over when their parents retire.

Sounds easy? Many women have discovered that this is not necessarily the case.

Experts say too many women who arrive as second generation family managers often face additional hurdles which test their will to succeed.

“There are all sorts of issues involved. Typically a woman will come into a business founded and led by her Dad, but the other managers in the business will be men who have worked there a long time,” says Renee Reid, Director of the Centre for Family Business at Glasgow Caledonian University.

“The new manager, who will be expected to take over the business ultimately, needs training and development on the conventional matters such as finance.

“But faced with a conventional culture, she may also need assertiveness training, for example. This seems particularly true in manufacturing or engineering companies, where

the operations side will have been very male-dominated.”

Renee has been running a European-funded innovation programme aimed specifically at women working in Scottish family businesses.

Research throughout the Western economies shows that an increasing number of family businesses are being founded, led or taken over by women.

It is increasingly common for a wife or daughter to take over a family company having spent part of their career within the business, contradicting the tradition that family enterprises passed simply from father to son.

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# Taking charge: it's different for girls

(From first page)

In addition, more women are starting up businesses. And today's start-ups are often the family businesses of tomorrow. Two thirds of all small and medium sized companies (SMEs) in the UK describe themselves as family businesses.

A key issue for any family business is the succession from one generation of management to the next. Experts and advisers say that too often such planning is unattended to, or left too late, so that often only a crisis prompts change.

The most successful – and high-profile – succession from father to daughter was that of Gordon Baxter's handover of the Scottish food giant W. A. Baxter to daughter Audrey.

Following a career in merchant banking, Audrey returned to the family business as managing director in 1992 and took over as chairman and chief executive seven years later. The company had been founded by her great-grandfather, and its long history may have been key to a succession which was well-planned and executed over a lengthy period.

Audrey's arrival at the top of the company has coincided with significant growth at Baxters, which has acquired companies in England and Canada, and created a chain of retail stores.

That significant change compares favourably to first-generation family companies, who find it more difficult to plan their management succession coherently. Research among family companies has shown consistently that few make it into the second or third generation.

"This is the point where many companies are taken over, or run out of steam. Lack of proper planning means that a company can lose its direction, and it may have been too averse to change, or bringing in new ideas and people, until it's too late," adds Renee Reid.

Advisers say that a "succession plan" can make a major difference to the likelihood of any family business successfully changing management and control from one generation to another.

Founders may recognise that their business needs fresh management or new investment in order to maintain momentum. A succession plan may even result in a business owner opting to exit the business, and realise a financial reward for all those years of hard work.

Renee Reid points out that social change is reflected in the way succession occurs today. "We are seeing more 'sibling' teams taking over from parents, so that instead of a father-to-son transfer

it may be transferring from a mother or father to a son and daughter or brother and sister," she adds.

Research in the United States showed recently that twice as many women started up businesses as men during the late 1980s and 1990s, a trend which is being matched in the UK. The implication is that many more women will be passing their companies to children – sons and daughters – in the near future.

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**- Renee Reid, Director  
Family Business Centre,  
Glasgow Caledonian  
University.**

**The Innovation Management programme  
for female family business managers is  
supported by the European Social Fund**

Caledonian  
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# Floods led Fiona to start up new methods of detecting disaster

## ENTREPRENEUR

### SPOTLIGHT:

Fiona Meikle of Meiklewall

The Meiklewall flood prevention technology is the brainchild of Fiona Meikle, based on the real-life experience of suffering a serious flooding in her own home.

In 1994 Fiona's home was among hundreds in the West of Scotland to suffer from severe flooding caused by unusually bad weather.

the result was major contamination and damage. the experience led Fiona to prepare a prominent role in a campaign that brought about a change to Scottish law, ensuring that the responsibility for dealing with the aftermath of flooding rests firmly with Scottish local authorities.

Determined to find a solution to the catastrophic effects of flooding, Fiona devised the "Rising Floodwall" concept, the idea being that actual floodwater could activate and raise a physical barrier to floodwater.

Utilising Scottish Government SMART and SPUR Grant funding, the concept was developed into the product that is now being demonstrated at Meiklewall's purpose built development and demonstration site at Clydebank. It is the only dedicated flood product test site in Europe.

Meiklewall, the company created by Fiona to commercialise the barrier activation concept, is now engaged with local councils, civil and construction engineering companies, housing developers, insurance companies, and related organisations to have the Meiklewall Rising Flood Wall specified as the preferred flood protection method across the country.

Promotional material has now been prepared and Scottish Enterprise Dunbartonshire is assisting with negotiations to use the Meiklewall Rising Floodwall in a pilot project for flood areas in the Nation Park, Loch Lomond.

The company is in the process of attracted additional private investment now that the Fiona and her team are entering the trading phase, and it will be seeking fully funded pilot schemes in Scotland.

Meiklewall will also be in licensing negotiations with interested parties in the United States, where there has been a strong interest in the Rising Wall concept, prompted no doubt by calamitous floods such as those experienced in new Orleans in September 2005.

The company has also attracted interest from as far afield as China, Canada, India and Malaysia.

Meiklewall have also attracted a lot of interest from members of the public who are interested in protecting their own homes with the help of the company's technology.

Fiona took part in the innovation management programme organised by the Caledonian Family Business School at Glasgow Caledonian University to learn more about the skills required to develop her business idea.

She anticipates rapid growth for Meiklewall once testing is complete, as governments and local authorities grapple with the consequences of flooding, and how to avoid them.

**More information:**  
[www.meiklewall.com](http://www.meiklewall.com)

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