

# eNews For Family Business Owners

JANUARY 2006

www.familybusinesscentre.com

## WELCOME

Welcome to this first edition of our newsletter! We hope you will find it informative, and as a consequence take an interest in our activities and endeavours as they unfold in the coming months and years. Indeed we hope you will get involved more directly in what the Caledonian Family Business Centre is doing, through programme activity; workshops; engaging with us by sharing your family business story and also become involved in policy research.

This edition is intended as an overview of the activities of the Centre; and as such it focuses on introducing the work we are undertaking. This Centre is one of the few whose approach is psychologically based utilising the research,

skills and competencies offered by Occupational Psychologists. This issue provides a brief overview of the areas of expertise which Occupationally Psychologists offer the Family Business Owner including an overview of using 360 degree feedback. In addition members of the Wilson family, Lendal Products Ltd ([www.lendal.com](http://www.lendal.com)), a Prestwick based Family Owned Business provides us with an insight into his experiences of business ownership and planning for succession.

In future editions we will include short comments and articles on issues relevant to not only succession in family owned businesses but also particular issues that are

related to the various projects underway.

We look forward to receiving your comments including any suggestions for inclusion in forthcoming editions.



Renee Reid,  
Director  
Caledonian Family Business  
Centre

## WHAT HAS OCCUPATIONAL PSYCHOLOGY GOT TO OFFER FAMILY BUSINESSES?

Quite a lot! An Occupational Psychologist is a Psychologist who has specialised in the application of psychological knowledge and theory to individuals, teams and organisations. Historically, this has focused in understanding job demands and assessing individuals so they can be matched to job requirements via psychometric testing. In this context, an Occupational Psychologist acts as an advisor to recommend appropriate psychometric tools (e.g. ability tests or personality assessment); administer these tools and provide feedback to the candidates and the sponsoring managers. Research has consistently shown that responsible and stable employees are valuable in any job.

impact of employee attitudes and 360 degree feedback systems. Recent research has demonstrated that family business owners (and family members working in the business) are generally more likely to provide training for their employees but are less likely to develop training and development plans for themselves resulting in a limited pool of well trained future leaders and managers.

career and job satisfaction. Family business owners generally express the view that leading their organisations is at times a lonely place to be. The role of the executive coach (which is extremely varied); can for example benefit leaders by providing an independent sounding board to encourage and stimulate the decision making process; it can also act to encourage a healthy balance between work and family life.

Occupational Psychologist's are often hired as consultants to help solve particular problems such as high turnover and employee stress. Additionally they can play a critical role assessing organisational culture and designing programmes that facilitate the management of change. This area of support is particularly important to family business owners about to embark on plans for succession.

The key contribution Occupational Psychology is making to businesses and family businesses is by bringing a wealth of research which ultimately provides more systematic and objective methods to aid the selection, training and management of individuals and teams.

In recent years, Executive Coaching has become a high growth service that is provided by Occupational Psychologists to Leaders and Senior Managers to help them improve their effectiveness, their



Dr Norrie Silvestro

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- 2 Occupational Psychologists also work for businesses to help them to improve how they hire, develop and manage individuals and teams. This can also mean they lead the design and development of new ways to improve teams and organisations by introducing Performance Management and other planning and feedback systems. They have also led the field in developing and researching the

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## PLANNING A SUCCESSFUL TRANSITION

We all waste a considerable amount of our time worrying over things we know we need to do but generally avoiding doing. If we were to count the amount of time we spent worrying about a problem that time would have been much better spent dealing with the problem itself. In addition, we would have reduced the amount of stress caused by thinking, worrying and avoiding the same issues over and over again. Succession planning for family business owners is something which falls into this category. Most owners report it is something which is always in their mind; they also report spending a considerable amount of time avoiding it. Succession for most owners appears to be one of those insurmountable tasks due to the 'emotional charges' surrounding it, yet when these tasks are broken down into smaller chunks the tasks sud-

denly seem within the owner's reach. Setting ourselves smaller and less emotionally challenging tasks when approaching a problem not only provides us with a greater chance of success it also provides us with confidence in being able to address the more emotionally

ing an overall solution for the future of the family and the business.

Understanding these dilemmas, staff at the Centre have developed an approach to planning a successful succession which

recognises the demands on owners, offering them a structured approach to planning. Our approach provides expertise in financing exit strategies, developing managerial and leadership skills, coaching and mentoring for all family members as well as support in the development of new ownership structures and family business governance practices. Utilising the tools and techniques developed by Business

Psychologists we focus on working with you to find relevant solutions. Our approach is respectful and maximises the knowledge, skills and experience each family brings to the succession planning project. Working collaboratively, recognising each family's unique

qualities we provide every family engaged in succession planning with individual support, training and access to expertise to ensure succession happens as smoothly as possible.

To help you begin the process please complete our free online (or download and complete manually) succession readiness questionnaire at:

[www.familybusinesscentre.com/questionnaire](http://www.familybusinesscentre.com/questionnaire)



challenging issues later.

Planning for succession therefore should not be thought of as one huge project but as a series of tasks. Over a period of time these tasks link together provid-

Visit our website and complete the **SUCCESSION READINESS QUESTIONNAIRE** to assess your readiness to begin succession planning. [www.familybusinesscentre.com/questionnaire](http://www.familybusinesscentre.com/questionnaire)

A Question often asked by family business owners:

When is the right time to plan for succession?

**The Answer to this has to be 'Long before you started to this about it!'**

## KEEPING IT IN THE FAMILY—360° FEEDBACK

It is often difficult to know just how well you are performing in the workplace, and it is perhaps more difficult for you as members of the family in business. Obtaining high quality feedback on how your skills, knowledge and behaviour is received and evaluated by those working with you is challenging for most managers however, if you are also a member of the owning family this is likely to become even more difficult to obtain.

360 degree feedback is a structured process that invites people who know how you work to provide an assessment on how effective you are on a number of skills and competencies. It is called 360 degree feedback because it invites feedback from observers in roles "all

around" the target recipient. It can operate from a standardised off-the-shelf feedback framework, or each company can commission the development of its own competency based framework.

Traditionally, the feedback recipient identifies a number of colleagues and staff and they receive an online or paper based questionnaire to complete on an anonymous basis. The data from all the observers (and the self assessment contribution) is then collated and a feedback report is produced. In a Family Business context, observers can also be drawn from a variety of perspectives including mentors within the business or even key customers.

The recipient normally meets with a Coach or Facilitator to review the feedback and to identify their perceived strengths and their perceived development areas. The individual is then assisted to produce a Personal Development Plan to build on his or her strengths and to address his or her development needs. Using 360 could provide the next generation of owners with a process which monitors progress and provides useful feedback as line with their development plan.

After a period of time (typically 6 to 12 months), the process can be repeated to assess how much progress the individual has made. This can be done in two ways. Either the total 360

degree framework can be re-issued or a mini progress check can be made by issuing only those skills and behaviours that were previously identified as requiring development.

The 360 degree approach is now well established in large Private and Public Sector organisations. It takes time and effort to implement a 360 degree feedback process, but it has proven itself as invaluable in raising the recipient's self-awareness and helping him or her to focus on key development areas.

For further information on 360° Feedback email [Norrie@familybusinesscentre.com](mailto:Norrie@familybusinesscentre.com)

**LENDAL PRODUCTS LTD—A CASE STUDY**

Lendal Products Ltd., an Ayrshire company established in 1972 by Alistair and Marianne Wilson, was born out of a passion for kayaking. Both Alistair and Marianne competed in the 1960/64/68 Olympics and together with Alistair's interest in research and development, the company was born. The manufacture of high quality glass fibre and composite carbon paddle shafts coupled with a dedication for innovative design and use of new materials and technology has ensured Lendal Products Ltd have a well deserved reputation for quality in 25 countries. In 2005, the company received an award for the best high-end paddle voted by the readers of *Sea Kayaker* magazine in the U.S.A.

Alistair and Marianne have been joined in the business by the next generation and at the present time and at the company is engaged on succession planning. The family agreed to be interviewed by The Centre to share their experiences of working together as a family in a growing business.

The family have a strong work ethic and know they can depend on each other. Samantha (Stuart's sister) describes how they are prepared 'go the extra mile' when needed providing unity in the business and a culture of support.

**WORKING WITH FAMILY**

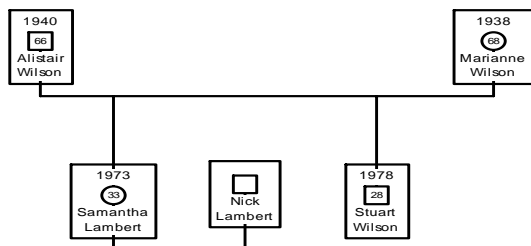
Alistair and Marianne highlight the importance of firstly creating a strong family bond. This has been extremely important to them and has provided them with great personal satisfaction both as parents and business owners. Nick (Samantha's husband) who joined the company from IBM relates on the warm and respectful welcome he received when he first joined the family business. All the family members recognise the added value Nick has brought to the company in terms of his previous experience and knowledge. This richer combination has provided all the members with the potential to develop a strong team with shared goals.

Samantha recommends that you don't let personal issues get in the way – TALK with openness and respect when issues arise. Alistair has found great benefit from having *purposeful* weekly meetings that have an agreed and structured agenda. He also suggests that complacency and lack of innovation will be a barrier to business success. Nick endorses this adding the need for a culture which encourages being open to and discussing new ideas which will ultimately lead to the company's future success.

Marianne suggests that when the next generation are beginning to come into the business, you should assess their individual strengths and weaknesses, placing them in positions throughout the business where they can do well and grow in confidence and ability; and not have 'square pegs in round holes', as in the long run this will benefit neither the person, nor the business.

**TEN YEARS FROM NOW**

Alistair looks forward to an exciting time when the company moves into a large and modern purpose built factory, allowing them to develop and produce a greater range of innovative products to serve a more global market. He also envisages having an assembly unit in the U.S to serve their growing market in North and South America.



The members of the younger generation all describe how they have developed a great respect for one another and are supportive and committed to listening to each others views before making decisions.

**FAMILY MEMBERS WORKING IN THE BUSINESS**

**FAMILY VALUES**

Lendal Products Ltd is committed to innovation through developing products which are of a very high standard of workmanship and quality. They work closely with all their staff keeping them up to date with developments, encouraging personal development for all and strive for both individual and commercial success. They are proud of having a reputation for integrity both in their products and relationships with their customers and staff.

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**WORDS OF ADVICE**

We asked the family if there were some words of advice they could impart to other family business owners. Some of the advice has been hard won in that it has emerged through working through the issues for themselves and they were kind enough to share them with us.

**“Sharing the highs and lows can create a good bond and it also creates a shared purpose and drive to succeed“**  
Alistair Wilson

## QUIZ— TO MAKE YOU SMILE

The answers to most (if not all) of these questions can be found on the Glasgow Caledonian Family Business Centre website. There will be a small prize for the winner selected from the responses. Just email your responses!

**Q1: The Glasgow Family Business Centre is part of?**

- A The Caledonian Business School
- B The Social Sciences School
- C The Law School

**Q2: The Innovative Actions Programme was initially designed to run for?**

- A 18 Days
- B 18 Weeks
- C 18 Months

**Q3: Which free online service does the Centre offer?**

- A Tea/Coffee
- B Babysitting
- C Succession Readiness Questionnaire

**Q4: The Glasgow Caledonian Family Business Centre publishes its research in?**

- A Comics
- B Professional Journals
- C Anywhere that will let it

**Q5: When is the best time to start Family Succession Planning?**

- A Long before you actually need it
- B Yesterday
- C Never – just deal with it as it arises

Email your answers to [quiz@familybusinesscentre.com](mailto:quiz@familybusinesscentre.com)

Diary Date

# CELEBRATING INNOVATION AND CREATIVITY IN THE FAMILY BUSINESS

*Personal Experiences and Practical Workshops*

14th June 2006

Glasgow Caledonian University

*This (fully funded) Mini-conference will Celebrate and share the outcomes of the Innovative Actions Programme entitled 'Developing a Culture of Innovation in Family Owned Enterprises'.*

Activities include:-

- ◆ Keynote Family Business Speaker
- ◆ Family business owners experiences of working collaboratively
- ◆ Participation from members of a similar cross- border project in Ireland

*As this project is fully funded numbers will be limited however, initial expressions of interest are welcome from Family Business Owners. Please email: [conference@familybusinesscentre.com](mailto:conference@familybusinesscentre.com)*



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