

Surviving a crisis as a family business

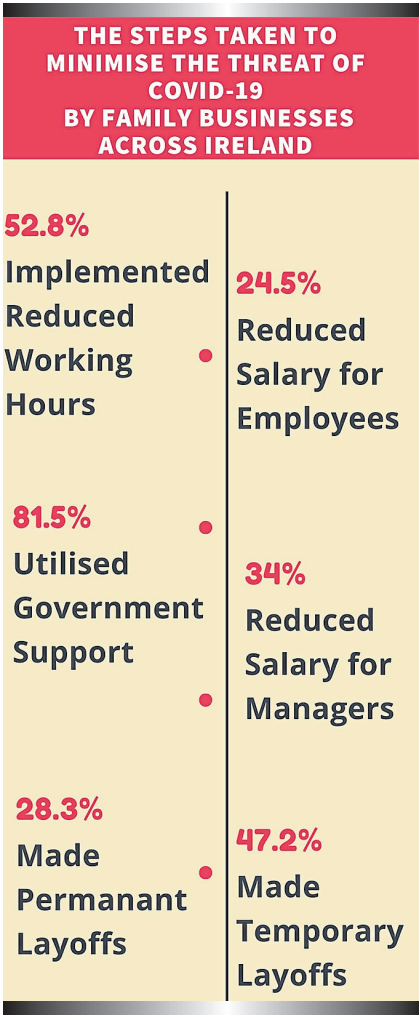
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We've all heard the phrase "family businesses are the backbone of the economy" but when you consider that 64 per cent of all Irish businesses are family run and 74 per cent of all Northern Ireland businesses, this rings true even louder.

If you are a family business, work in one or know someone that does then this new series might be something you would be keen to follow. 2020 gave us a unique moment in Irish business history which resulted in the closure of many businesses across the Island overnight. The economic impact of the Covid-19 crisis has transformed the way we work, how business is conducted and our relationships with one another, as we experience extended periods of isolation and restrictions on our travel. Harbinson Mulholland are an independent firm of chartered accountants based in Belfast, and family businesses make up a significant proportion of our client base. Along with colleagues in Ulster University and Dublin City University, Harbinson Mulholland collaborated on the first ever all Ireland study of family businesses so we could understand firsthand the realities these family businesses were facing because of the global pandemic. We captured the lived experiences of family business teams during the crisis and followed the progress of 251 owners, managers and employees from March 2020 to November 2020. The perseverance demonstrated by the businesses surveyed has brought the unique,



admirable traits of family businesses to the fore. Those traits include resilience, intergenerational learning, the feeling of familiness beyond bloodlines, mucking in during hard times, a defining purpose that is motivated by legacy and contributing to something bigger. The report identified eight key themes and over the next eight weeks we will examine each of



these in more detail in a new series in *The Irish News Business Insight* section, with contributions from those involved in the survey. The key factors identified in the study as crucial to family business survival are as follows:

- BENEVOLENT LEADERSHIP
- EFFECTIVE COMMUNICATIONS
- TAKING A STEP BACK
- EMPLOYEE COMMITMENT
- FAMILINESS
- SEEKING EXTERNAL ADVICE AND SUPPORT
- INNOVATION AND ADAPTATION
- RESILIENCE

As well as the report itself, we were keen that this project could provide useful, practical steps and tools, creating a crisis resource that businesses could take into the future for years to come. The research report includes best practice recommendations and useful pointers provided on each of these key themes and we hope family businesses can use these to help and support them both now and in the future. Next week's article will focus on "Seeking External Advice and Support" and in particular, effective cashflow management. In the meantime, you can access the full report and practical recommendations from the survey online by visiting harbinson-mulholland.com