



Dedication

Portraits of Women in Family Business



Coutts

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*Juliette Jobson,
Head of UK Family Business,
Coutts & Co*

Welcome

In an ideal world, there would be no distinction between the roles of men and women in family businesses. The unfortunate reality is that in too many cases, gender can still end up defining who does what in a company.

Traditionally, female family members have played a role behind the scenes. The mother, wife or daughter who occupies the position often referred to as 'chief emotional officer' contributes more to the family – as confidant, protector of values and nurturer of successors – than to the business. But there are signs that this is changing. Family businesses have begun to acknowledge the skills that female members bring, and are encouraging their increased engagement in business life, while developing ways to empower the next generation of daughters – and sons – to emerge as entrepreneurs and leaders.

In part this is due to wider trends: more female students are leaving school and university well educated, with better career opportunities and choices than previous generations of women. A higher number of women in the UK than ever before are entrepreneurs, and more businesses are being run as a meritocracy to ensure that appointments are being made on skill and ability rather than gender.

Added to that, the growing acceptance of flexible working in businesses of all sizes, in all sectors, has made it possible for more women to continue their traditional roles at the heart of family life while taking on more responsibility in the boardroom. This is especially the case in family businesses, of which a far higher proportion boast a female presence on the board of directors compared to non-family firms¹.

Not only are women making a tremendous impact on the board (in executive and non-executive roles), they're also making huge contributions as owners – to the governance, ownership and philanthropic activities that surround the family enterprise.

These factors combine to foster a real sense of progress – of evolution rather than a revolution – as well as opening up new possibilities and challenges. It is no longer about gender but more about having the right person, with the right skill set, in the right role. We hope the individuals featured in this publication, each with their own, unique role to play in and around the family business, will encourage other women to get more involved and find a place where they can contribute best.

¹ Source: Coutts Family Business Survey 2005



In The Frame

Kate Jones is the marketing director of John Jones, arguably the best – and certainly the best-known – picture-framing company in the UK. She began her career as a brand consultant before marrying into the business, which proved to be more challenging than she expected...



Kate Jones

John Jones started making custom frames for galleries and painters in the 1960s, and the quality of his work soon led to commissions from some of the biggest names in the art world – including Francis Bacon and David Hockney. He made the frame an art form in its own right, and turned the niche business he established 40 years ago in north London into a global concern.

Today, with more than 90 staff and a client list that includes Damien Hirst, Sotheby's and Ralph Lauren's flagship store in Paris, John Jones remains a family-owned and run business.

For former branding consultant Kate Jones, taking on responsibility for the marketing of an internationally recognised company – one that's associated as much with cool, contemporary culture as with traditional family values – presented an immense career opportunity. But it also presented some tough challenges, beyond the usual difficulties associated with starting a new job. When she joined John Jones as marketing director, Kate was better known to the rest of the family as the wife of managing director Matthew Jones (son of founder John Jones).

She met Matthew in 1997 and first came into contact with the company in 1999 through a branding agency she worked for. "We would go out for drinks after work and I got to know Matthew and his brother, Kristian, and sister, Kelly, really well."

It was in 2002, the year after Kate and Matthew married, that she was appointed as marketing director. She was excited about the prospect of working with her husband, although the news had not been communicated to everyone concerned. "Matthew offered me the job and I accepted. I went into the office and soon found out that Matthew had not consulted the rest of the family about my appointment!"

Matthew was somewhat taken aback by the reaction of other family members in the business, so there soon followed a number of private family meetings where the family sought to overcome any initial concerns over the actions leading up to her appointment. "I immediately began to question why I had joined, the path my career was going to take and what was going to happen," says Kate.

She remembers it as "a difficult time" in her career and her relationships with key members of the family, as well as other employees, but after the initial issues were resolved – with lessons learned about the importance of good communication and shared decisions – Kate found herself warmly welcomed into the firm. She says: "It was difficult because we all had relationships that preceded my entry into the



"I can harness the family's values and passion for what they do, and communicate it to the outside world"

business and these did change – we talked more about the business, and it was difficult to separate work from home. Over a short period of time though, we re-established the boundaries and clarified our roles and responsibilities and we have not really looked back."

In particular, says Kate, "the family really appreciates my role and what I bring to the company – the way that I can harness the values and the passion they have for what they do, and communicate this to the outside world".

Kate believes she has been a catalyst for change, helping to create a more dynamic, outward-looking leadership team that is happy to seek support from non-family members. She says: "There are now a number of non-family members in executive roles, which gives us more depth of knowledge in key areas such as operations and finance."

Balancing work and family life has not been easy because, inevitably, Kate and Matthew tend to talk about business when they are at home. "We are both totally committed to what we do

and we both like it that way. We share a desire to succeed and thrive at work and probably wouldn't have it any other way. One challenge that we both have now, as parents to a three-year-old girl, Coco, is to focus on her and not to let work conversations intrude on the important time that we have with her, such as bath time."

As for the benefits that women can bring to the business, Kate says: "I am not sure that it is about gender at all. It is about skills, and having the right people in the right roles. But I do think that there needs to be an understanding of the family involvement and the unwritten family ways that I am sure that many spouses, men and women alike, fail to grasp."

Looking ahead, Kate says: "We are on the start of a great journey and the next generation is really taking a grip on this business, doing what it's good at, playing to its strengths and helping us to make things happen. Quality, attention to detail and passion will remain in all that we do as a family business. From an outsider's perspective it has been a challenge – but really rewarding too."

www.johnjones.co.uk

Key learning points

Tips on marrying into a family business

1 Ensure the whole family agrees to you joining and understands the skills you bring and the role you'll play

2 Don't try to change too much too quickly – even if you see some obvious recommendations that need to be made

3 Set boundaries between work and home and agree clear roles and responsibilities in both



Future Growth

With a background in banking and finance, Fiona Gatty knew very little about growing wheat and barley when she joined the board of Strutt and Parker Farms. That hasn't stopped her leading a remarkable transformation of the way this 200-year-old concern does business



Fiona Gatty

The Strutt and Parker families have been farming land in Essex and Suffolk for more than 200 years. Despite many agricultural depressions, Strutt and Parker Farms has developed into one of the UK's leading agricultural businesses, managing almost 20,000 acres of land across five farms.

Throughout its remarkable history, it has been family-owned and run. Family members hold the vast majority of shares, and many have served as directors in both executive and non-executive capacities.

Among the latest to do so is Fiona Gatty, a fifth generation Strutt and the only woman on the board. In fact, she is only the second woman to have served on the board in the business's history – the first was her great-grandmother Rhoda Strutt, wife of founder Gerald.

Unlike many of her female relatives, who have been drawn more towards careers in arts administration and the creative arts, Fiona has a strong business background that has taken in a range of industries – including banking and finance, children's knitwear, property development, and architecture.

Because of that experience, and her willingness to "ask plenty of questions" at AGMs, Fiona was encouraged by her family to apply for the non-executive directorship, and after a rigorous selection process was appointed in 2002.

Her key aims since then have been to improve communication with shareholders and the family, and to encourage other women shareholders – no matter what their backgrounds – to become more actively involved. She says: "Of my parents' generation, none of the women have had business careers. It is much the same in my own generation. There was therefore a slight hesitancy among them to articulate concerns, ask questions or contribute ideas."

By giving them the opportunity to ask for mentorship and guidance, or to sit on the Family Council, Fiona has enabled them to use their experience to benefit the company by turning themselves into a cohesive and well prepared group of shareholders. "I have encouraged them to believe that they have a role to play and a contribution to make, and that they should attend external family business events and forums, for instance, in order to understand the important role they have to play as committed and involved shareholders."

It hasn't been easy introducing such cultural changes. The farming sector – like other male-dominated industries Fiona worked in – was at first an unyielding environment. "The business

Key learning points
How a non-executive director can develop family governance

1 Network with other family business owners to understand their governance and how they do things

2 Write a Family Constitution. External facilitators can often help with the family's planning and help secure buy-in from all family shareholders

3 Use your role to develop communication channels between the family and the board and ensure family values are reflected in the way the business is run

was dominated by the men of the family. There were lots of shooting outings and group activities for men only. As a young woman, it was difficult to see how I'd make an impact."

Fiona credits her cousin, the then managing director David Nutting, with providing the mentoring and support that helped her make her mark. He assured her that – despite her lack of experience in the farming industry – the skills and insights she had gained in her varied career would be of great benefit to the business.

As Fiona recalls: "There were already people around the board table who were active in the farming industry. They knew the sector inside out, and their contributions were invaluable. At first I was worried because I didn't know a thing about farming, but I soon realised that wasn't why I was given the role. I was expected to bring my own skills, experience and talents – experiences that others didn't have."

Fiona was the first family member to explore networking with other family business owners. By attending conferences and events for family-run businesses, she showed the family how they could obtain support and advice from those in a similar position. They met many families that had been working on their governance, and Fiona was able to explore different models and approaches. It was at one such event that Fiona was

able to meet and engage external facilitators to help the family work through their planning.

Fiona found that by sharing with other family business owners, her own family became far more cohesive in its approach to business, and family life.

This shift in thinking also led to the business becoming much more inclusive, encouraging family shareholders to contribute, and giving them training so they have the skills and confidence to engage with the board. The business now has protocols in place and has established a Family Council, made up of a representative group of family shareholders, to bridge the gap between the family and the board.

Fiona is now turning her attention to another issue that affects family businesses everywhere – the fact that family members who inherit their shareholdings may be less inclined to be commercial in their outlook.

She says: "I feel it is important for the shareholders to be engaged on a commercial as well as an emotional basis – to be committed to building and expanding the company."

"It's about the willingness to act as a custodian and the ability to create value. For us, we need to be continuously expanding in order to stay ahead of the competition, and it's important that every member of the team, whether family or not, understands this vision."

www.spfarms.co.uk

"I didn't know a thing about farming, but I soon realised that wasn't why I was given the role"



Style Siblings

Savannah and Sienna Miller may be the most fashionable siblings in London, but Twenty8Twelve, their acclaimed fashion label, is built on family values and a passion for everyday style – not celebrity connections



For as long as they can remember, sisters Savannah and Sienna Miller have inspired and supported one another's creativity – but they've come a long way from playing 'dress up' as young girls.

Today, as well as being London's most fashionable siblings, they are joint directors of Twenty8Twelve – a successful clothing business that refuses to play up its celebrity credentials.

Savannah's love for clothes started at a very young age, and she considers herself fortunate to have had a ready-made model and muse in her sister, Sienna. "After our parents divorced it was just me and my sister. We only had each other and so grew very close. We both loved fashion and were constantly experimenting with styles."

This closeness and affection is reflected in the fact that Savannah chose Sienna's birthday (28 December) as the name for their label.

But it wasn't until Sienna starred in an advertising campaign for Pepe Jeans in 2006, that the idea of working together took hold. Carlos Ortega, the Spanish entrepreneur who owns Pepe, saw an opportunity to combine the two sisters' talent. He offered financial backing and helped them launch their first collection.

"We hadn't really talked about working together but when people started suggesting it, we realised we had some great talents between us and there was a huge amount of potential for a business," says Savannah.

Although their contributions differ, both sisters take an active role in brainstorming ideas,



The sisters are often in the public eye - but they haven't relied on their celebrity status to build their business

carrying out market research, and developing designs. "I have a more hands-on approach to the day-to-day running of the studio, Sienna is a full-time actress and doesn't need to be worried about which buttons to put on a shirt or what colour stitching to use. But when it comes to the core concepts of the clothing line and the business strategy side, we work side by side."

Although Sienna is a Hollywood celebrity and regularly graces the front pages of glossy magazines, the two sisters were conscious from the outset that in order to ensure long-term sustainability, the business needed to establish itself on merit – not as another celebrity fashion label. As Savannah says: "Twenty8Twelve is a

business with substance, it's about the clothes that we make and not the celebrities behind them."

Nine seasons after they launched their label, which is now established as "the essence of cool, modern London dressing" according to *The Guardian*, there is no sign that the sisters have lost any of their initial excitement and endeavour. Their latest activity has been around the launch of their eagerly anticipated flagship store in Covent Garden, which develops the label's high street presence (the sisters have already opened two Twenty8Twelve outlets, in west London, and their clothes are on sale at a range of other boutiques and online retailers).

Savannah says she couldn't think of a better person to be running a business with than Sienna – who, she says, knows her "inside out" and regularly finishes her sentences and second-guesses her decisions.

"We've grown up sharing the same morals, values and work ethic, which makes working together a real pleasure. We're the same person, from the same background and with equal opportunities in life, but at the same time have our own tastes, styles and opinions – what a perfect combination!"

www.twenty8twelve.com

Getty Images

Key learning points

Ways to ensure a successful working relationship with a sibling

1

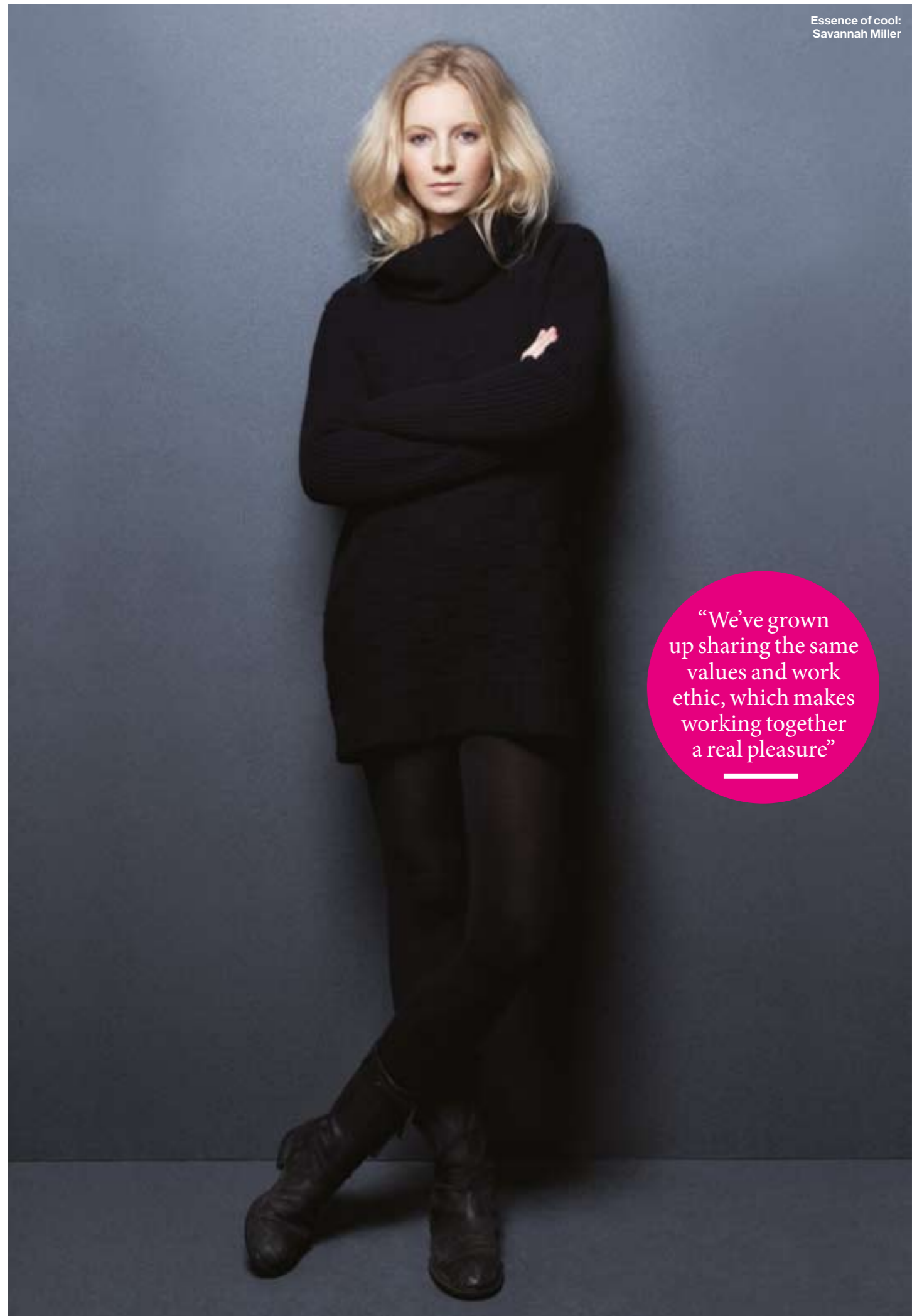
Create clear roles and responsibilities from the outset, finding ways of utilising each sibling's core strength and skills

2

Sisters tend to make decisions and manage their differences naturally – be conscious of others around you who may be confused by this closeness

3

Discuss and align your vision to ensure you're driving the business together in the same direction



"We've grown up sharing the same values and work ethic, which makes working together a real pleasure"

Generations Of Pride

Dicksons Pork Butchers has been run for many years by siblings Michael and Christine. With their tenure at the helm coming to an end, we find out what steps the family are taking to ensure a smooth transition to the next generation



Dicksons Pork Butchers has been satisfying the demanding tastes of consumers in the North East for generations – from its formation in the 1950s, when its best-selling products included pigs’ trotters and tripe, to more recent innovations such as the special edition ‘World Cup’ sausages.

Public tastes may have changed, but this family business, with its roots firmly planted in the community it serves, continues to thrive.

The company was founded by Irwin and Helen Dickson in 1953, who put all their capital into opening their first shop in South Shields, and has continued to prosper under the guidance of two of their three children, Michael and Christine. The company now boasts 20 outlets and wholesale activities across the region.

Christine has been involved ever since she was a girl. She worked weekends until she was old enough to join the business full-time. “I was immensely proud of the brand my father built up and couldn’t wait to be a part of it. From the age of 16 I’ve worked full time with my family and worked my way up the ranks,” she says.

The opportunities for involvement were always equal for her and her brother. “Gender was never an issue and we both worked hard.” They are still active in the running of the company, but as they start looking towards retirement, their thoughts have turned to succession.

With the help of outside advisers, they have taken a step back to consider the future management of the business and possibilities for succession – as well as actively mentoring the next generation.

The family started working together four years ago to draft a Family Constitution and set up a Family Council to strengthen governance and ease transition. They also appointed senior, non-family management and external advisors to help bridge the gap between generations.

Key to their succession plans are Michael’s daughters Elena Dickson, who has worked her way up from packing pies to the position of marketing manager, and Daniela Dickson, who



Examples of the new premium bacon and sausage range from Dicksons

works outside of the business but chairs the family council. There is a real sense of optimism about the succession arrangements, with both Elena and Daniela looking forward to developing their roles.

After studying Food Science and working for United Biscuits for four years, Elena worked her way up through the business to her current role, which she has held for 18 months. She is gradually becoming more involved in strategic decision-making and management alongside her father and aunt.

Elena has learned a great deal from them about making family partnerships work: “Christine is a careful, considered administrator, while my father is probably more creative, passionate and impulsive. Her calm analysis is an essential foil to his enthusiasm,” she observes. Elena has also learned that relationships need to be handled properly to avoid conflict. “I am very close to my father and working together really has tested our relationship, so we make a point

of not talking about work at home.” This tactic also ensures that they don’t engage in business conversations that exclude Christine (or any of the other managers), “which means I’m also able to keep a fantastic relationship with my aunty”.

Daniela, meanwhile, is pursuing a career outside the family business, in pharmaceuticals. But she makes an important contribution by chairing the Family Council. She says: “It’s my job to ensure people are communicating, that all stakeholders are informed of major decisions, and the vision of the business is aligned with the vision and core values of the family.”

Keeping the vision and values aligned will be more critical than ever as the business prepares for succession, particularly with major expansion underway. With women across the generations working together on a shared, long-term vision, this very British family business looks set to enjoy even greater success in the decades to come.

www.midickson.com

Key learning points

How to ensure a smooth transition to the next generation

- 1** Utilise non-family management and external advisers to help mentor and bridge the gap between different generations
- 2** Succession is a process not an event – involve the family in your succession planning and connect the generations using forums such as a Family Council
- 3** A Family Constitution can help to articulate and align the family’s vision for the business



“I was immensely proud of the business that my father built up and couldn’t wait to be a part of it”

In it together: members of the Dickson family outside one of their 20 stores

Creating a Family Constitution

A Family Constitution documents the shared vision and values of the family and its policies regarding the ownership and operating of the family business

- 1** Record and align the family’s vision, giving a clear message to the family and to the business.
- 2** Create some guidelines around family jobs:
 - Create a meritocracy
 - Only join if there is a role available
 - Encourage working outside first
 - Report to non-family
 - Have appraisals and regular feedback.
- 3** Agree the principles of ownership:
 - Consider who should be able to own shares
 - Factor in someone wanting to exit
 - Create a dividend policy and manage expectations.
- 4** Develop governance – make time for private family discussion and ensure the family have a forum to ask questions and ultimately speak with one voice.
- 5** Agree how decisions will be made and how differences of opinion will be managed.
- 6** Prepare the next generation for responsible ownership. Encourage them to spend time together. Create opportunities for them to learn about the business and ownership.
- 7** Discuss and articulate your family values.
- 8** Be as inclusive as possible in writing your constitution – the value is in the discussion not in the paper produced at the end of the day.



Revellers at the Henley Regatta, where the Copas family has established a commercial presence

Three Sisters

The latest generation of the Copas family is successfully taking the family business into completely new areas – including hospitality and property – while continuing its core activity as a luxury turkey producer.

We meet one of the three sisters leading the charge



Sarah Copas

The Copas Partnership is a family-run business, based in Cookham in the heart of the Thames Valley, where the family can be traced back to 1698. Originally a farming enterprise, specialising in the production of luxury Christmas turkeys, the Partnership has diversified in more recent times and is now under the leadership of an all-female team – sisters Tanya, Fenella and Sarah Copas – who have gradually taken over the reins from their father, Tom, as he enters retirement.

As Sarah explains, life in the business is all that she and her sisters have known from a tender age. As a child she doesn't remember having summer holidays, because there was always work to be done for her father, whether packing turkeys or helping out at events such as the Henley Regatta. One of their properties, Remenham Farm, spans about half the Regatta course and is a prime vantage spot for spectators, allowing the family to offer hospitality, catering and parking services.

Sarah's parents never assumed that she would go straight into a career in the business. They agreed it would be beneficial for her, after university, to gain experience elsewhere, before committing to a job within the Partnership. Bringing real-world skills and insights to the business also served to enhance her credibility among non-family members of staff. They realised that Sarah was in the business for the long term and took her leadership role very seriously.

Sarah says: "The great thing about working with family is that you all share a vision for the future and when staff can see that you have the company's best interests at heart they feel more comfortable. By training in your areas of weakness, you soon gain the confidence to take the business by the horns and when its time to take on a leadership role, it's important that everyone is on board."

All three sisters have backgrounds in marketing and PR, and the company has been used as a venture capital base for their entrepreneurial and creative talent. The Copas Partnership's long-running association with Henley Regatta, for instance, has been developed into a full-scale events management operation, with a wide range of facilities offered at Remenham Farm including hospitality enclosures, bars, trade stands, and boat moorings. Corporate events and hospitality, as well as a growing property portfolio now account for almost 40 per cent of the Partnership's turnover.

But food production – and in particular the seasonal business of producing 50,000 free range turkeys a year – remains the core activity.

Tom's wife Brenda acts not only as the face at the gate of Kings Coppice Farm – their family

Key learning points
Tips for siblings who are taking over the leadership of a family business

1 Gaining experience outside the family business can help ensure you are taken seriously and will give you something to bring back to the business

2 Think outside the box and embrace change. Allow the next generation to make their own mark on the business

3 With several siblings working together, agree how decisions will be made and how differences of opinion will be managed

home and company HQ – but also as the creative inspiration within the kitchen. The three sisters and their brother (Tom 'junior') are in charge of the day-to-day management of the brand, which now encompasses a range of fine food products that are available all year round, from luxury hampers to barbecue boxes.

As general manager, Sarah works full-time while her sisters, Tanya and Fenella, who both have children, work part-time so they can fit business responsibilities around their families.

Sarah says that being so passionate about your family business can mean that it's not just a nine-to-five job. She found it took a while to get the balance right and, no matter how hard she worked, was "always wanting to do more", often at the expense of her home life.

However, Sarah does realise the opportunity that a family business can bring to family members, particularly those who are able to carve out their own role; develop the business in new directions; and create a satisfying and challenging career for themselves – rather than just taking on a business because it has been handed down.

She feels it is important to recognise the impact that female leadership and a fresh outlook can have in the running of a family-owned company

– as evidenced by the successful diversification and expansion that they've overseen.

"The business now is a very different one from when my father was the controlling force. My sisters and I didn't have the same knowledge and expertise in farming that my father was blessed with but we did bring our own talents to the table," says Sarah.

The sisters are supported by external consultants, who have helped them professionalise the structure and planning of the business. They also regularly seek guidance from the non-executive member of the board, who has been invaluable throughout the transition. The sisters meet weekly and hold quarterly board meetings when senior management and family members review progress.

The future of the Copas Partnership looks set to be a bright one, with a consensus across the board that the company will remain a family concern, so Sarah and her sisters are looking forward to future growth.

Sarah says: "We pride ourselves on being passionate, determined, honest, and we strive to be the best at what we do. Our aim for the future is to continue developing our business to hand down to generations to come."

www.copas.co.uk

"The business now is a very different one from when my father was the controlling force"



Turkey farming is still the core business activity for the Copas Partnership



“The great thing about working with your partner is that you always have a support structure”

Rapid expansion: The Smith brand started with a single self-published travel book, but now encompasses a range of print and online travel offerings



Meet Mrs Smith

Running a successful start-up as a married couple can put enormous strain on even the strongest of relationships. Which is why the husband-and-wife team behind travel website Mr & Mrs Smith have stopped holding board meetings in the bath...



Tamara Heber-Percy

Tamara Heber-Percy is an Oxford-educated linguist and marketing consultant who has travelled the globe for pleasure and business.

James Lohan is a natural-born entrepreneur, networker and branding guru with a background in running private members' clubs and corporate events. Together, they are the husband-and-wife team behind 'Mr & Mrs Smith', the phenomenally successful guide book publisher and online travel 'club' that helps holidaymakers find boutique and luxury hotels around the world.

Their history as business partners can be traced back about nine years – some five years after they got together as a couple – when an idea for what was intended as a 'hobby business' turned into something much bigger.

Fed up with guidebooks that didn't live up to their expectations, they decided to launch their own, featuring hand-picked hotels. After repeated rejections from publishing houses, they sourced financial backing from friends and relatives, and eventually self-published the first Mr & Mrs Smith UK/Ireland guide in 2003.

“When we sold 25,000 copies in the first three months, we were elated,” recalls Tamara. The scale of their success took them by surprise but – bolstered by James's entrepreneurial opportunism and Tamara's flair for marketing – they were soon exploring new directions. They launched an online booking service in 2005, and an in-house reservations team in 2007, while

continuing to release guidebooks. The company has also developed a three-tiered membership programme, including a full concierge service, which has attracted more than 75,000 active members.

In the early stages, the venture was expanding so rapidly that it began to overwhelm their personal lives. “We'd have board meetings in the bath and talk about the business every waking hour,” says Tamara. The situation, she admits, was putting a strain on their relationship, and they decided to take action.

Their first move was to employ key staff to help with the workload, and the core team has grown organically with the business – they are now supported by a co-founding financial director, as well as editorial, production, technical and marketing experts.

As chief technical officer, Tamara is responsible for the cutting-edge technology incorporated into the website, while James, in his role as CEO, oversees the strategic direction of the company. Their roles reflect their natural skill-sets, says Tamara, noting wryly that even at home, “James chooses the wallpaper and I get the TV to work”.

She says one of the benefits of working with her husband is that she sees “another side” to him. Although they work at opposite ends of the office, they are always brainstorming new ideas, even when they're pool-side on holiday.

Having had two children over the last four years has “added another dimension” to their

lives, says Tamara, as well as prompting her to establish ground rules that have gone a long way to ensuring the couple's work does not impact too much on the home environment.

“We never let business problems interfere with family time. But when there are exciting prospects on the horizon it's great to be able to talk to each other, as it is the livelihood of our whole family,” she says.

Tamara's strong family values also inform the way she runs her company. Her commitment to staff development means they have a low turnover and the office is a warm, friendly and exciting place to work. “It was important to me to nurture a working environment where staff see an opportunity to develop personally and professionally, and where they can flourish.”

And if latest projects are anything to go by, the business itself continues to flourish, too. The Smith brand is expanding into the USA and Australia, as well as introducing a 24-hour telephone booking service for luxury travellers.

Tamara says: “It's scary stuff, launching your business overseas, but the great thing about working with your partner is that you always have a support structure.

“You can discuss ideas and even disagree, and at the end of the day make a decision together that is right for the business. It would be a daunting task on my own, but having my partner alongside me makes everything worthwhile.”

www.mrandmrsmith.com

A husband and wife business charter

by Peter Leach

- 1 I will work with my spouse only if I enjoy the business and I bring skills that add value to it.
- 2 I will not work with my spouse if I believe it will bring romance back to our relationship; bring us closer together; allow us to spend more time together; fill a gap in my life; alleviate any guilt I feel for a past wrong.
- 3 I take responsibility for defining my relationship with the business. Therefore, I will: clearly define my roles and responsibilities; state my business vision and expectations; hold myself to the established performance standards of the business.
- 4 I will not assume responsibility for my spouse's emotional fulfilment and happiness.
- 5 I will take responsibility for communicating my thoughts on the business to my spouse and to others in the business.
- 6 I will not take responsibility for communicating the thoughts of my spouse to others in the business.
- 7 I will be aware of ways that I increase the level of anxiety in my relationship with my spouse.
- 8 When communicating with my spouse in stressful times: I will be factual; I will not make blaming, accusative 'You ...' statements; I will make calm, thoughtful 'I think ...' statements

www.peter-leach.com

Firm Foundations

Female members of the Sachdev family are working together on a social project that bridges the generations and combines their talents – a charitable foundation giving practical and financial support to women in Gujarat, India



The philosophy that underpins Ramesh and Pratibha Sachdev's care home business stems from their family's deeply held values of tradition, community, charitable giving, and care for the most vulnerable in society.

Since opening their first home in 1987, their company – Life Style Care – has been highly successful and given them the opportunity to establish a pattern of charitable donations of about £5.5 million over the past three years.

More recently, the family has looked at ways of establishing a more structured programme of social responsibility, built on the principle of giving people the resources they need to support themselves and their families, rather than being reliant on donations. To this end, Ramesh and Pratibha set up a family foundation – God My Silent Partner (GMSP) – which the women in the family are involved in: Pratibha, her twin daughters Sonal and Rupal, and her daughter in law, Meenal. GMSP is funded by the business and works with non-governmental organisations (NGOs) to support vulnerable women in the family's home community of Gujarat, India.

"We chose the Foundation's focus on empowering women," says Sonal, "because we believe that women are the central point of the family and thus key to empowering the whole community". She describes her mother as the "driving force" behind the Foundation, while she and Meenal share day-to-day management duties, which include monitoring existing investments and researching innovative ways to help communities. Rupal gives valuable input from her strategy consulting experience.

"We take an entrepreneurial approach to all the causes we support – 'investing' rather than 'giving'," explains Sonal. "We did initially try the model of building our own team – employing our own people, getting our own offices – but after about a year of this we decided we could be quicker at decision-making and more effective if we partnered directly with NGOs."

The Foundation has embarked on an ambitious programme that includes microfinancing (providing financial services to low-income clients, including the self-employed, who traditionally lack access to banking and related



services), as well as more traditional forms of intervention including investments in educational and sanitation facilities.

To ensure effective outcomes, the women of this amazing family do everything they can to explore the local culture, as well as talking to people to establish what the local women need to improve living and working conditions for themselves and their families.

Pratibha offers the following example of this principle in action: "In one village we worked in, we found that young girls weren't going to school, not because there was no school, or because their parents didn't let them, but because there were no toilets for them to use. So we installed more than 100 eco-sanitation toilets that use the waste to fertilise the soil. By talking to women from this community, we understood what needed to be done."

GMSP has also funded the construction of a women's centre at the heart of Ramapir-No-Tekro, the largest slum in Gujarat, where 15,000 women and girls will have access to healthcare, microfinance, and self-help groups. Sonal says: "These facilities take a combined approach to give the women a community that provides basic physical needs as well as empowering them to build their own mini enterprises and therefore provide for themselves and their families, moving away from the need for external help."

The future holds many exciting prospects for the Sachdev women, the biggest being the expansion of the Foundation's activities to the UK. As Pratibha says: "We have a wonderful relationship and are in the privileged position of being able to work together doing something we feel so strongly about."

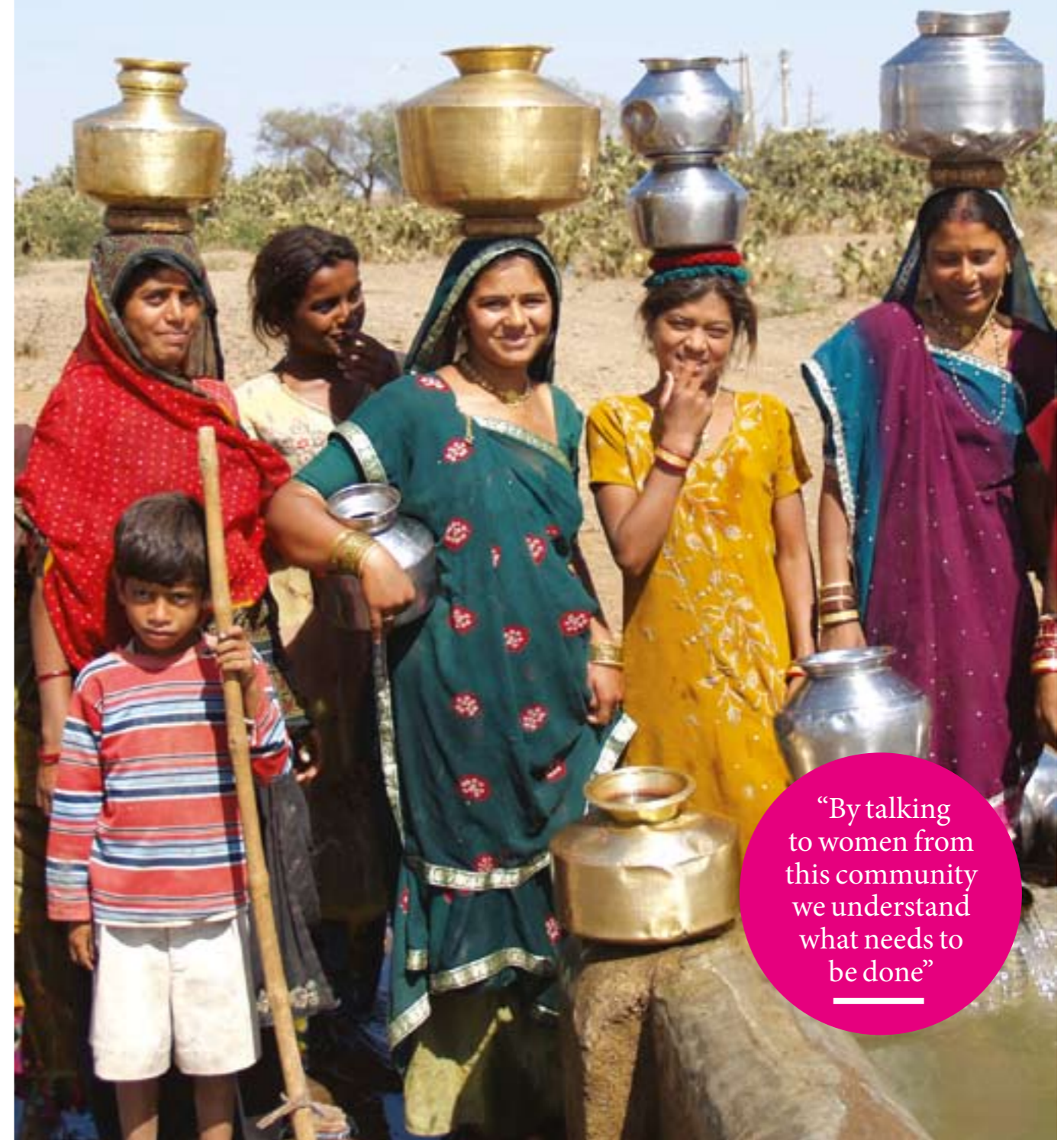
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Key learning points

Tips on developing an effective charitable foundation

- 1 Establish a clear philanthropic strategy and vision as a family, to ensure your giving has real impact in the areas you feel passionate about
- 2 Visit projects for yourself and see the impact that your foundation is making
- 3 Use philanthropic activity as a way for the family to work together on common positive goals and develop skills in leadership, communication and decision-making

The Foundation works with local people to find out what's needed – in this case, clean water



"By talking to women from this community we understand what needs to be done"

Creating a Family Giving Strategy

Creating a giving strategy can help you get the right balance between what matters to you all and the impact of your giving. It should always be a balance of 'heart and mind' but it is often useful for a family to create a strategy and a common vision around a number of core principles:

- 1 Understand the causes that you want to support and why.
- 2 Set your objectives.
- 3 Think about how involved you each want to be and how much time you want to give.
- 4 Consider whether you want to give locally, nationally or internationally.
- 5 Consider setting up a giving vehicle, such as a charitable account or a private family charitable foundation.
- 6 Establish criteria for selecting the charities that you want to fund.
- 7 Monitor and learn from the experiences of giving.



The Family Way

Margaret Heffernan, author of *Women on Top*, says family businesses can be like soap operas. But find a way to channel all that emotion, and you'll end up with more efficient, responsive management – and happy owners



From *Dombey and Son* to *Dynasty*, family business is the stuff of drama. And the stuff of headlines too: the Murdochs, Fords and Hiltons are as famous for their family sagas as for their business activities. But, in their suggestion that these family businesses are freaks, such headlines are highly misleading.

In fact, family firms are the backbone of the economy. Two thirds of all companies, public and private, describe themselves as family-owned. Think of WalMart, Sainsbury's,

Ikea, Fiat, Samsung, Barbour. Far from being unusual, they have proved themselves over the centuries. One of the world's oldest family businesses, Kongo Gumi in Japan, was founded in 578 AD. Closer to home, John Brooke and Sons is more than 550 years old.

Family businesses do conform to their soap opera image of being intensely emotional, and no one working with such companies would deny it. So you have to get your problems out in the open, and solve them. It's heresy, I know, but many companies would function better if they couldn't fire under-performers, because they'd

be forced to find ways of making them more productive. Termination is often the easy option.

Of course, when companies are young, the rivalries and emotions are vivid but usually contained within a few key players. As they expand, and move further from their founders,

“You can't fire your family – you have to find ways of working with them, and of making underperforming members productive”

they can become highly complex. No one knows this better than Judith Derbyshire, the company secretary for Clark's shoes. Judith's company has 350 family owners, only four of which work inside the business.

Emotionally and financially, all the owners are very tied to the business and identify with the name. They have a strong sense of their responsibility as future custodians.

Managing its 350 passionate and committed owners is not a trivial challenge. So Clark's has had to find emotionally astute people like Judith to establish processes for containing all the passion that the business evokes. In 1993, the company created a family council. It's not designed to manage the business – there is a professional management team for that. But it is a consultative body where owners can vocalise



their views. Before it existed, individual family members might collar the chairman or the managing director and drive them to distraction.

Now there's a process in place to express any worries they have. They don't constantly bother the executives and they don't get things out of proportion. With three or four meetings a year, it's striking that almost all the council members and their alternates turn up for every meeting. Judith and her relatives can't afford to deny the emotion implicit in that relationship, so they've found constructive ways of addressing it, and of capturing its energy.

Families are among the most complex, dynamic, infuriating yet resilient organisations mankind has ever developed. Challenged by social and economic turbulence, still they endure. Non-family businesses may be tempted to delegate all this messy emotional stuff to HR,

but the resilience of family companies demonstrates just how much strength it can impart – if you learn how to handle it.

Entrepreneurs talk about their company as 'their baby'. That metaphor is no accident. Companies aren't machines; they're living organisms. And the place where babies grow up may be the best business school you'll ever attend – if you want a company as resilient as Clark's, which has lasted 180 years, you'd do well to look at what your family can teach you.

www.mbeffernan.com

Pay It Forward

Dr Shaheena Janjuha-Jivraj considers the increasingly central role of women in family businesses – and why we need to do more to encourage the next generation to reach for the top



It's no secret that there's a scarcity of women in leadership roles across most business sectors. The good news for family businesses is that they are better placed to encourage high-level female recruitment – reflected in the fact that the number of women at board level is growing steadily.

This is a positive development, because female involvement adds a new dimension to business decisions – beyond the advantage of loyalty and deferred gratification commonly associated with familial labour. Mothers, wives and daughters with an active role in both family and business life often act as the 'glue' that holds these two worlds together.

Historically, wives have occupied roles associated with the social welfare aspects of their family firms, fostering a sense of positive engagement for the business and all those connected to it. As management thinking has evolved, however, particularly in its embrace of corporate responsibility, these roles have come to be seen as fundamental. And thanks to the diverse nature of family business, this type of activity has flourished, ranging from owner-led philanthropy to wider organisational commitment to a specific cause (see for example the story of the charitable foundation set up by the Sachdev family, on page 18 of this publication).

Legal structures and a greater emphasis on governance have given real weight to these roles, creating a formal channel through which women can be represented on boards and at senior levels within the business. While such activity may be perceived as keeping women at a distance from the real 'action' of the business, there's no doubt in my mind that it also offers an immense opportunity for women to gain acceptance as formalised stakeholders.

The welfare component of female involvement is not restricted to the wider community; there is a strong history of women in central positions acting as a buffer between the family and the business, to avert potential conflicts.

Family businesses present the most turbulent challenges where emotions and organisational operations collide. Family councils or steering groups, as described by Sara Holtby, of William Jackson Food Group (as featured on page 8) provide an environment for frank discussions, specifically about the overlap between families and businesses.

However, the precursor to achieving this structure is often embedded in the role of the wife of the incumbent director (and mother of the next generation) as a mediator.

The demands of this role combine the need for high emotional intelligence with an overwhelming desire to invest in the greater good of the family – and the hope this will pay forward to the next generation. But the broader perspective identifies a number of challenges, in particular the fact that – despite strong educational success and high levels of ambition among the newer generation – there continues to be a distinct deficit of women at the helm of family businesses.

If it is not lack of capability that restrains these heirs in waiting, then what is preventing them from reaching the top? In my view, it's because family businesses tend to reinforce gender roles, with women occupying critical but often less visible positions.

This is by no means a call to arms demanding quotas for women in business – as with all individuals in a business they need to earn their place through meritocracy. But we must provide a seed-bed for entrepreneurial thinking across the family, including female members, thereby creating a unique resource in the training of women as future entrepreneurs and founders of their own family firms.

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“If it is not lack of capability that restrains these heirs in waiting, what is preventing them from reaching the top?”



About the Coutts Wealth Institute

The Coutts Wealth Institute is a meeting place for clients to exchange information, share experiences and seek advice on family business, philanthropy and next generation services.

Coutts Services for Family Business Owners

A dedicated family business team, committed to providing support and advice to family business owners, their families and their businesses. We aim not only to celebrate the success of family businesses, but also to offer practical, tailored advice to help family business owners overcome the specific challenges they face. www.coutts.com/familybusiness

Coutts Philanthropy Services

A dedicated philanthropy team offering advice and insights to guide you in creating an effective giving strategy, conducting market research, obtaining professional advice, evaluating projects and creating a portfolio of charitable interests. Additionally, we can put you in touch with Coutts commercial, trust,

banking, investment and charity specialists. www.coutts.com/philanthropy

Coutts Next Generation Services

The Coutts Next Generation team brings our younger clients together to offer them the opportunity to learn and to meet peers in an open environment where young people can share their ambitions and experiences. From money management to entrepreneurship, we provide support and education on almost every aspect of earning and managing wealth, along with the responsibilities that this inevitably brings.

Coutts Knowledge Exchange

Currently in development, the Coutts Knowledge Exchange is a new global online proposition, exclusively for clients, which will provide intuitive and interactive learning around the many different facets of philanthropy and social enterprise, and the unique challenges and opportunities faced by family businesses and entrepreneurs and members of the next generation.



Juliette Johnson

Juliette Johnson (ACA) is Head of UK Family Business at Coutts & Co. In this role she offers bespoke advice and facilitation to family businesses and their families on a range of issues including succession, governance, communication and next generation development.

In addition to advising families, Juliette is involved in a number of activities for the family business community, including the Coutts Forums for Family Business Owners and the Coutts Prize for Family Business. She speaks at a number of external events on family business issues and has been involved with several major pieces of family business research.

Juliette is a chartered accountant and holds a practising certificate from the Family Firm Institute (FFI), the international body for professional family business advisers. She is well recognised in her field and featured on the *Management Today* '35 Women Under 35' list, as well as the 2008 and 2009 surveys of 'Europe's Young Rising Stars of the Wealth Industry'. She was also voted one of the top '40 under 40' at the 2009 PAM Awards.

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