

# Why keeping it in the family can pay dividends

## Small business insights

Working with relatives may prove fraught but laying out ground rules can make it rewarding. Carol Lewis writes

One of the advantages of working with your brother is that you can tell him when he's not smart enough for a meeting. I can be brutally honest and say 'Justin, I don't like that tie,' Mark Blackhurst says.

The Blackhurst brothers run one of the three million small-to-medium family businesses in Britain. Most admit that working with your relatives can be fraught, but by following a few key rules it can bring immense benefits.

Mark and Justin co-founded SEO Next, an internet search optimisation company, in a bedroom in their parents' house in Manchester six years ago. Today they have 12 employees in Britain — and a team in New Delhi.

"We know each other so well. We know how we are each going to react to situations, which means we are less likely to fall out. If we do have a disagreement, though, it is forgotten within half an hour," Justin explains.

"Trust is a major factor in our success. I work with my brother, a cousin and a longstanding friend. So there is a high level of trust and we know that things are going to get done," adds Mark.

One of the disadvantages is that the rest of the family 'gets annoyed because we are constantly talking about sales, search engines, marketing, etc'. A big advantage is that 'customers really do buy into us being a family-run business — it conveys a level of trust and passion they like.'

One of the keys to making family businesses work is to have clearly defined roles. Karen White, who runs Fervidas White, a British-based Italian property consultancy, with her husband Steve, explains: "We have desig-



Mark and Justin Blackhurst founded SEO Next together in their parents' house — now they also have a team in Delhi

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nated roles in the company, which is really, really important. In family businesses there can be a tendency not to be so professional and to share roles. But we run the business 50:50."

This professionalism is key to the Whites' success. "You have to be professional and not husband and wife when you are at work. You have to be the

managing director and finance director, or whatever, not Mr and Mrs White. You have to respect your business partner within those roles. If you don't quite agree with something the other says, you don't make it known in front of the client. The key is having defined roles, respecting each other's decisions and enjoying it," she says.

"It is definitely worth it. You can be together 24/7 but we really, really, love it. We work well together and complement each other."

Jason and Jan Barnett, co-founders of Fusion Interior Design, also believe that clearly defined roles are vitally important. "I tend to work on the business side while Jan is the designer and deals with the clients," Mr Barnett explains. "You need to set your roles out from the start, otherwise you are going to have arguments."

He also agrees that you need to be

more formal and professional than you might realise. For instance, setting aside time for formal meetings rather than having chats in bed late at night.

Both the Whites and the Barnetts agree that as a husband and wife business team you need to ensure that you set aside time for your relationship.

This applies not just to married couples. Henry Hochland, one half of the father-son duo behind the app-development company Apps4, says: "You need to give each other space and appreciate there are different ways of doing things, different experiences and different desires to take into account."

"It's not without its difficulties but if you respect each other as human beings rather than take a 'father-knows-best' approach then it is a lovely, fantastic experience." His son Sam says there has been a "tiny bit of tweaking [of the relationship] on both sides"

### The do's and don'ts

- Have defined and distinct roles within the company
- Carve out time for your family or relationship; separate it from work
- Have proper meetings rather than informal chats at home
- Everyone needs to be equally committed, otherwise it is easy to take advantage of each other
- Act professionally and respect one another, especially in front of clients
- Give each other space and appreciate that you will each do things differently
- Think about your decisions in the context of the business, not your relatives and relationships
- Appreciate when it is time to ease off or step back
- Aim to complement each other rather than to compete
- You can be brutally honest with each other and not take offence
- It is an opportunity to create a family atmosphere in the office, if you employ others
- Customers appear to trust and admire family businesses
- Most families say that they enjoy working together

For more information on family businesses visit [ifb.org.uk](http://ifb.org.uk)

but they work well together. "It's a nice thing to be able to work with your dad. To achieve something successful together, something we can pass on. It is especially nice because my father worked with his father too."

Henry says it is important not to get too wrapped up in relationships but to act in the best interests of the business or product. It helps that they have two non-family members of the business, including a technical director, to ensure that it stays focused.

Sam says his areas of expertise and areas he wants to develop and these have been built into the business plan. He has to justify what he is doing. It is a three-party conversation — there are the two of us and then there is the company," Henry explains. "It is about what will work best for the business and not what I — or he — wants."

● Next month: Keeping up to date