

**Pinnacle Programme – Session 4**

# Managing a family business



**The Keeling family business started off growing fruit on a farm in in North Dublin in the 1930s. Three generations later the current CEO, Caroline Keeling, took over from her father in 2006 having worked her way up the ranks from when she joined the business in 1994.**

Each generation has played a role in the expansion of the business into five divisions: Keelings Retail, Keelings Farm Fresh, Keelings Market, Keelings International and Keelings Solutions.

While most recognised as a popular consumer brand, Keelings also runs a successful technology arm, Keeling Solutions, where they licence software to other fruit producers around the world. With a clear expertise in food distribution and logistics the company also manages Tesco's fresh and frozen food distribution in the Republic and have developed Food Central, a dedicated food distribution park north of Dublin Airport.

Although Keelings' success is clear, the dynamics of a family business can bring both challenges and opportunities. In an informative session, Caroline shares her insight and some practical tips on managing a family business and talks about her experience of working her way up.

## Creating a strong management team

One challenge is to design an organisational structure that works for both the business and the family.

Caroline believes that third-party supports are critical and brings in people from outside the family to ensure rounded advice. "The non-family board members, I personally think, are really important," she advises. "It's easier sometimes for a non-family board member to raise an issue than for a family member to." They are encouraged to challenge decisions to ensure an external perspective is brought to the table.

"Senior management have to have a strong voice in the business and it needs to be heard," Caroline confirms. It is important that business decisions are not being made amongst family members behind closed doors.

## Clear structure and communication

Open and honest communication between family members about what people want from the business is also key. As part of that communication, a conversation about shareholder agreements should happen in the early days of the business. "I do believe quite strongly in the up-to-date shareholder's agreement which does have a mechanism for exit," Caroline says.

A review of the agreements every five years gives an opportunity to discuss key things and enables conversations that might not happen otherwise. Structures need to be in place to facilitate the levels of ownership and control.

They also use coaches to find out how best to work together as a team and work through any issues. Caroline highly recommends this approach.

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## Managing transition through the generations

“I think as part of a family business, the big challenge is how do you involve the next generation?” When Caroline assumed the reins of the business in 2006 it posed a significant challenge in managing the transition from her father to herself.

Her father was in his early sixties when he stepped back from the day-to-day responsibility of running the business, but still had a lot of passion and energy. While keeping a role as Chair of Keelings, it was through a new outside role as Chair of Horse Racing Ireland that he was able to channel his energy.



Caroline Keeling with her father Joe and brother David celebrating 90 years of Keelings.

## Building experience and qualification

Caroline believes it's important to get a taste for the business from a young age through work experience or summer jobs. However, she is cautious about committing fully to the business at a young age.

“Definitely don't come into the family business too young. If you can get a chance, work somewhere else and experience that and build your qualifications,” she advises.

When she joined the company, one of the first questions asked was “What qualifies you for this role other than your name?” According to Caroline, this question does get asked, even by customers, so it's important to be able to answer it.

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Before joining the UK business in 1994, Caroline read science at university, going on to do a masters in food science before taking a job in Green Isle. It was this external experience together with working her way up through the company that gave her both the confidence and deep understanding of the business necessary to take on the CEO role.

## Give family members ownership

“One thing we do believe quite strongly in is to pass ownership over – even if it's a small ownership – at a young enough age.” Caroline believes the right age is usually around someone's thirties. She sees it as important to give them a more holistic perspective on the business, as with ownership they see the business in a different light. “It starts getting people involved, they get presented with finance, balance sheets,” she explains.

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## Continuous development

Two years after taking over the business from her father, Caroline realised that she wanted to drive herself to be better. She divided her development into three areas to work on: intellectual intelligence, emotional intelligence and physical intelligence.

### Intellectual intelligence

Becoming better educated is a useful way of ensuring you to add value to a company. Over the years Caroline has attended various business courses where she always picks up some nugget of information that improves the way she views the business.

“One of the things I did for industry experience and continuous development was to ask for help,” Caroline adds. She recalls reaching out to a senior businessman at a conference and asking to pick his brains. This enabled her to gain valuable insights from his experience and she recommends others to network with other people who are working within family businesses to expand their knowledge.

### Emotional intelligence

Another important thing is to understand how your personality fits into the business. “If you learn how to manage yourself, you can probably learn how to manage most,” Caroline states. Doing psychometric tests

helped Caroline understand her traits, strengths and weaknesses, and how they can impact on her work.

“I’m in the 0.03% of people who welcome change, which means I’m not that empathetic to someone who is not open to change.” After learning this, she was able to alter the way she brought new changes to the table, working hard to improve her team-leading and management – key skills to a business leader – making sure she balances her dominance with encouragement and influencing.

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### Physical intelligence

The final area of development that Caroline discussed was physical intelligence, something she feels that can often be overlooked. Stress management, sleeping, nutrition and fitness are all important in order to perform at your best.

## A family business is still a business

With multiple dynamics across often several generations within a family business it is important to remember that it is still a business and if it is to be successful it needs to deliver a return on investment.

A structure where family members report to people who are outside the family can improve the business. “I would say if at all possible it’s a good thing to do, and partly because we all make mistakes. You know it can’t be the end of the world, it can’t be discussed over Sunday dinner,” Caroline explains.

Ultimately Caroline’s advice is that a family business should be run like any other business while also being careful to not to damage family relationships. The proper company structure, shareholder agreements, job allocation and communication will all help a family business flourish.

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Established in 1941, Crowe Horwath is a leading accountancy and business advisory firm in Ireland. Throughout our 75-year history, we have developed an unrivalled understanding of the Irish business environment and built a national reputation in auditing, tax and business consultancy.

We work with a variety of clients across commercial and public sectors. Our services include Audit & Assurance, Tax, Corporate Insolvency & Recovery, Corporate Finance, Consultancy, and Outsourcing.

We are also independent members of the eighth-largest accountancy network in the world, with colleagues in over 750 offices across 130 countries. Through this global reach we are able to offer clients a seamless service when trading internationally.

Our success is the result of our exceptional client service. Together with our clients, we work to optimise the present and maximise the future, tirelessly exploring all possibilities until we find the right solution. We help clients make smarter decisions today that create lasting value for tomorrow.

**Smart decisions. Lasting value.**

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